



IN METALS & MINERALS LTD.

ANNUAL REPORT 2002 - 2003



OM METALS & MINERALS LTD.

DIRECTORS REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2003

BOARD OF DIRECTORS

DR. T.C. KOTHARI	-	CHAIRMAN
SHRI C.P. KOTHARI	-	MANAGING DIRECTOR
SHRI D.P. KOTHARI	-	DIRECTOR
SHRI P.C. JAIN	-	DIRECTOR (TECHNICAL)
SHRI B.V. MAHESHWARI	-	DIRECTOR (AUDIT)

BANKERS

STATE BANK OF BIKANER & JAIPUR
INDUSTRIAL ESTATE, KOTA - 324 007

BANK OF BARODA
JHALAWAR ROAD, KOTA - 324 007

IDBI BANK
C. SCHEME, JAIPUR

AUDITORS

M/s. M.C. BHANDARI & CO.
CHARTERED ACCOUNTANTS
KOTA

REGISTERED OFFICE

KOTHARI BHAWAN
30-31, NEW GRAIN MANDI, KOTA
PIN - 324 007 (RAJ.)

GRAM : KOTHARIES, TELE - 2364698, 2364101
FAX : (0744) 2438069

CORPORATE OFFICE

KOTHARI BHAWAN
16/121-122, FAIZ ROAD, KAROL BAGH
NEW DELHI - 110 005

GRAM : KOTAMETS, PHONE: 51545590-94 (5 LINE)
FAX : (011) 23555859
Website : www.ommetals.com



OM METALS & MINERALS LTD.

OM METALS & MINERALS LTD.

Regd. Office : 30-31, New Grain Mandi, Kota, Rajasthan

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of Om Metals & Minerals Limited will be held on Tuesday, 30th September, 2003 at 11 A.M. at B-117-118, Indraprashtha Industrial Area, Kota, Rajasthan to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. D.P. Kothari, who retires by rotation and being eligible, offers himself for re-election.

To appoint a Director in place of Mr. B.V. Maheshwari, who retires by rotation and being eligible, offers himself for re-election.

To appoint M/s. M.C. Bhandari & Co. Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that subject to such consents and permission, if any as may be necessary, approval be and is hereby accorded in terms of sections 269,309 and other applicable provisions, if any, of the Companies Act, 1956 and the Schedule (s) thereto, including any statutory amendment or re-enactment thereof, to the reappointment of Mr. C.P. Kothari as Managing Director with authority to the Board to revise his designation at its discretion and other terms and conditions of the appointment including as to remuneration as are set out hereunder :-

Tenure : Five years with effect from 01.09.2003

Functions : Subject to the direction, control and superintendence of the Board of Directors, Mr. C.P. Kothari shall have the overall responsibility for looking after the day to day business and affairs of the Company.

Remuneration : Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. C.P. Kothari shall comprise salary, perquisites as may be decided by the Board within an overall ceiling of 5% of the net profits of the company, computed in the manner laid down in Section 349 of the Companies Act, 1956.

Remuneration for a part of the year : Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration : In the event of absence or inadequacy of profits in any financial year, the

remuneration payable to Managing Director shall be Rs. 50,000/- per month or such higher amount as may be permitted under the Companies Act, 1956 subject to such approval, if any, as may be required.

Sitting Fee : If permissible by law, Mr. C.P. Kothari shall be entitled to sitting fee in addition to the components of remuneration mentioned above, for attending meeting of the Board of Directors or Committees thereof.

Termination : The appointment of Mr. C.P. Kothari as Managing Director may be terminated by either party giving to the other six calendar months notice in writing. In the event of termination of this appointment of Mr. C.P. Kothari by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

"RESOLVED FURTHER that in the event of any further authorisation/revision in the levels of permissible managerial remuneration, the Board of Directors be and is hereby authorised to alter, vary and increase the remuneration of Mr. C.P. Kothari, notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent or reference to the general meeting."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that subject to such consents and permission, if any as may be necessary, approval be and is hereby accorded in terms of Sections 269, 309 and other applicable provisions if any, of the Companies Act, 1956 and the Schedule (s) thereto, including any statutory amendment or re-enactment thereof, to the reappointment of Mr. D.P. Kothari as Whole time Director with authority to the Board to revise his designation at its discretion and other terms and conditions of the appointment including as to remuneration as are set out hereunder :-

Tenure : Five years with effect from 16.09.2003

Functions : Subject to the direction, control and superintendence of the Board of Directors, Mr. D.P. Kothari shall have the overall responsibility for looking after the production, fabrication, erection and inspection of bought out items at factory premises or at project sites upto the stage of installation and commissioning

Remuneration : Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. D.P. Kothari shall comprise salary, perquisites as may be decided by the Board within an overall ceiling of 5% of the net profits of the company computed in the manner laid down in Section 349 of the Companies Act, 1956.

Minimum Remuneration : In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Director shall be Rs. 45,000/- per month or such higher amount as may be permitted



OM METALS & MINERALS LTD.

under the Companies Act, 1956 subject to such approval, if any, as may be required.

Sitting Fee : If permissible by law, Mr. D.P. Kothari shall be entitled to sitting fee in addition to the components of remuneration mentioned above, for attending meeting of the Board of Directors or Committees thereof.

Termination : The appointment of Mr. D.P. Kothari as Wholetime Director may be terminated by either party giving to the other six calendar months notice in writing. In the event of termination of this appointment of Mr. D.P. Kothari by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

"RESOLVED FURTHER that in the event of any further authorisation/revision in the levels of permissible managerial remuneration, the Board of Directors be and is hereby authorised to alter, vary and increase the remuneration of Mr. D.P. Kothari, notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent of or reference to the general meeting. The appointment of Mr. D.P. Kothari as Wholetime Director shall be subject to retirement by rotation."

7. **To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution :**

"RESOLVED that consent of the Company be and is hereby accorded for the delisting of the Company's Equity Shares from the Stock Exchanges at Delhi, Ahmedabad and Jaipur."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all necessary steps in pursuance of the aforesaid resolution."

By order of the Board
For Om Metals & Minerals Ltd.

Date : 30.06.2003
Place : Kota

(Dr. T.C. Kothari)
Chairman

NOTES :

1. Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 is annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and on a poll, to vote instead of himself. The proxy need not be a member of the company. A blank form of proxy is enclosed and if intended to be used, it should be returned, duly completed, to the registered office of the company not less than forty eight hours before the scheduled time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, the 28th September to Tuesday the 30th September (both days inclusive).

4. Members holding shares in physical form are requested to notify change in address, if any, under their signatures to Skyline Financial Services, 123, Vinoba Puri, Lajpat Nagar, New Delhi, the Registrar & Share Transfer agent, quoting folio nos. Members holding shares in electronic form may update such details with their respective Depository Participant.
5. Members seeking any information regarding accounts should write to the company at least seven days before the meeting so as to enable the management to keep the information ready.
6. Pursuant to the order of the Hon'ble High Court of Rajasthan the Share Capital of the company has been reduced by converting partly paid shares into fully paid. In terms of order the fraction amount left after conversion of shares has been sent to the respective Shareholders who are requested to encash their cheques within the validity period.

Explanatory Statement Pursuant to section 173 (2) of the Companies Act, 1956

ITEM NOS. 2 TO 3

Mr. D. P. Kothari and Mr. B.V. Maheshwari shall retire by rotation and being eligible, offer themselves for re-appointment.

The information required by the Corporate Governance Code is given below ;

Mr. D. P. Kothari (50) Director of the Company, is an Engineer and possesses 30 years of vast experience in the technical field of production, fabrication and erection of Gate and Gate parts.

Mr. D. P. Kothari is a member of Audit Committee.

Mr. D. P. Kothari is interested in the Resolution. Mr. T.C. Kothari and Mr. C.P. Kothari, who are relative of Mr. D. P. Kothari may be deemed to be interested in the Resolution.

No other director of the Company is concerned or interested in the Resolution.

Mr. B. V. Maheshwari (44) is well known Chartered Accountant in the city of Kota. He is also a very active member in Lions Club and various associations and clubs in Kota.

Mr. B. V. Maheshwari is the Chairman of Audit Committee & Shareholder Grievance Committee.

None of the Directors of the Company other than Mr. B. V. Maheshwari is concerned or interested in the Resolution.

ITEM NO. 5

The existing tenure of Mr. C.P. Kothari continues upto 31.08.2003. His re-appointment effective from 01.09.2003 requires approval of the members.

It is proposed to re-appoint him for a further period of 5 years with effect from 01.09.2003 and members' approval is sought to the re-appointment.



OM METALS & MINERALS LTD.

The terms of his re-appointment and remuneration including minimum remuneration are set out in the resolution.

It is under the stewardship of Mr. C. P. Kothari that the Company has achieved all round growth and made for itself a reputation in the core areas of its business.

The detailed terms stated in the resolution constitute the terms of re-appointment of Mr. C.P. Kothari for the abstract required in terms of Section 302 of the Companies Act, 1956.

Mr. C.P. Kothari is interested in the resolution. Mr. D. P. Kothari and Mr. T. C. Kothari who are the relatives of Mr. C. P. Kothari may be deemed to be interested in the resolution.

No other Director of the Company is concerned or interested in the resolution.

ITEM NO. 6

The existing tenure of Mr. D.P. Kothari continues upto 15.09.2003. His re-appointment effective from 16.09.2003 requires approval of the members. Mr. D. P. Kothari has been looking and responsible for entire production upto the stage of installation and commissioning since the inception of the company.

It is proposed to re-appoint him for a further period of 5 years with effect from 16.09.2003 and members' approval is sought for the re-appointment.

The terms of his re-appointment and remuneration including minimum remuneration are set out in the resolution.

It is under the able guidance of Mr. D.P. Kothari that the company has executed almost 40 projects and none of the projects has faced any technical defect of any kind so far.

The detailed terms stated in the resolution constitute the terms of re-appointment of Mr. D.P. Kothari for the abstract required in terms of Section 302 of the Companies Act, 1956. The appointment shall be liable to retire by rotation.

Mr. D.P. Kothari is interested in the resolution. Mr. C.P. Kothari and Mr. T.C. Kothari who are the relatives of Mr. D.P. Kothari may be deemed to be interested in the resolution.

No other Director of the Company is concerned or interested in the resolution.

ITEM NO. 7

The revised SEBI (Delisting of Securities) Guidelines, 2003 prescribed that if the securities of the Company are listed at a Stock Exchange having nationwide terminals i.e. Mumbai Stock Exchange or National Stock Exchange the securities of the Company can be delisted from all other Stock Exchanges including Regional Stock Exchange.

There has been negligible transactions in the shares of the Company at Delhi, Ahmedabad and Jaipur for more than a year.

It is, therefore, proposed that the Company's securities be delisted from the Stock Exchanges at Ahmedabad, Delhi and Jaipur.

Approval of members is required for delisting of securities from the Stock Exchanges.

None of the Directors is concerned or interested in the resolution.



OM METALS & MINERALS LTD.

DIRECTORS REPORT

To The Members

Your Directors have pleasure in presenting the annual report and audited accounts of the company for the year ended 31.03.2003.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	2002-2003	2001-2002
a) Turnover & Other Income	3230.06	1747.67
b) Revenue Expenditure excluding Interest	2694.41	1259.15
c) Operating Profit (Before Depreciation, Interest & Tax)	535.64	488.51
d) Depreciation & Interest	231.88	129.94
e) Net Profit before Tax	303.76	358.57
f) Provision for Tax	25.00	34.00
g) (Provision for Deferred Tax) / Deferred Tax Assets	49.90	(1.92)
h) Profit during the year	328.66	322.64

OPERATIONS

i) ENGINEERING DIVISION :

Your company is always alive to capture competitive contracts of gate structures in all the states of the country. The company is working on projects in the state of Maharashtra, Andhra Pradesh, Nagaland, Arunachal Pradesh and Himachal Pradesh.

Your Company had participated in the pre qualification bids of various tenders for the projects such as Sewa HEP (J&K), Teesta HEP (W.B.). The company has recently been prequalified for the Koldam HEP in Himachal Pradesh which is the maiden project of NTPC in the Hydro-Power Sector and the company is very much confident in securing this contract.

During the year under review the Income from operations has registered a growth of 85% over the previous year and the operating profit has gone up by 10%. The revenue generated from the Gosikhurd Project this year was not as per schedule due to fund crisis with the project authorities. Among new projects Larji HEP and Prakasam Barrage largely contributed to the turnover this year. The supply of finished goods/work in process which were booked last year at contracted price as per accounting policy formed part of turnover this year resulting into overall profit not to increase proportionate to the turnover.

ii) HOTEL PROJECT :

The interior finishing work of Hotel cum Revolving Restaurant is going on at a faster pace and the commissioning is scheduled in September 2003. The construction work on adjoining land for expanding the Hotel is in full swing. It hopes that the new wing of Hotel will be ready to generate revenue by March 2004.

iii) MULTIPLEX :

The performance of the multiplex was beyond expectations. This division of the company due to entertainment tax exemption shall be continuing to enrich the company in the years to come.

Prospects

The improving fund position with Gosikhurd Project Authorities will enable the company to achieve handsome turnover in the coming years. The company is very much confident of passing the pre-qualification stage of bidding in the tenders and securing the Kol Dam Project of NTPC. The company foresees a rewarding future in view of Ministry of Power's target to generate additional 35,000 MW electricity through Hydro Project Development in 10th and 11th Five Years Plan.

Directors

Mr. D.P. Kothari and Mr. Vishal Maheshwari retire from the Board of Directors by rotation and are eligible for re-appointment.

Auditors

M/s. M.C. Bhandari & Co. Chartered Accountants, Kota statutory auditors of the company retire at the conclusion of this meeting and are eligible for re-appointment.

Subsidiary Company

A statement relating to subsidiary company pursuant to Section 212 of the Companies Act, 1956 is attached to the account.

The Audited Statement of Accounts and the Auditors Report thereon for the year ended 31.03.2003 alongwith the report of the Board of Directors of the subsidiary is annexed.



OM METALS & MINERALS LTD.

Explanation on Observations of Auditors

The observation of Auditors as referred to in the Auditor's Report are suitably explained in Notes to the Accounts.

Personnel

The Labour Management relation has been cordial during the year under review.

During the year under review there were no employees receiving remuneration which require disclosure as per provisions of Section 217 (2A) read with the Companies (Particulars of Employees Rules, 1975).

Particulars of technology absorption, conservation of energy and foreign exchange earning and outgo.

As required under Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) absorption, conservation of energy and foreign exchange earnings and outgo are set out in annexure A to the Directors Report.

Directors Responsibility Statement

Your Directors confirm :

- i) That in the preparation of account for the period ended March 31 2003, the applicable Accounting Standards had been followed and that there are no material departures ;
- ii) The directors had 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 year end of the financial year and of the profit of the company for that period.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the accounts for the period ended March 31, 2003 are on a going concern basis.

Listing

Subject to approval of the members at the forthcoming Annual General Meeting, the Company would apply for delisting of its securities from Delhi, Ahmedabad and Jaipur Stock Exchange However The Shares of Company will remain listed in BSE.

Corporate Governance

A detailed section on the code of Corporate Governance is attached to this Annual Report.

Acknowledgement

Your Directors take this opportunity to express their grateful appreciation for the co-operation received from Government Departments, Financial Institutions, Banks, Consultants, Workers and Staff Members of the Company.

For and on behalf of the Board

Sd/-

Place : Kota

(Dr. T. C. Kothari)

Dated : 30.06.2003

Chairman

ANNEXURE A TO THE DIRECTOR'S REPORT

Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of energy :

- i) Energy conservation measures taken ; Greater emphasis has been laid on creating awareness amongst all employees for the optimal utilisation of employees for the optimal utilisation of power and prevent misuse of energy at all levels.
- ii) Additional investments proposals, if any being implemented for reduction of consumption of energy. Efforts are being made in the direction of reducing energy consumption.

-NIL-

- iii) Impact of the measure at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Impact has not been measured.

- iv) Total energy consumption and energy consumption per unit of production in respect of industries specified in the Schedule thereto.

It is not feasible to maintain product category wise energy consumption data since there are a large variety of products with different energy intensities.

B. Technology Absorption :

a) Research & Development :

- i) Specific areas in which R & D was carried out by the company.

Cutting & Welding which is required on fabrication of Gates, Hoist etc.

Replacement of electric hoists to hydraulic hoists.

Improvement in product quality.

Energy Conservation.

Better utilisation of scrap.

- ii) Benefits derived :

Production improved gradually.

b) Future Plan of Action :

The company is having on going process to reduce the weight of gates, to suit to incoming private power projects.

c) Expenditure on R & D

No expenditure was made on R & D because owned staff is working on R & D and their salaries & wages are included in respective head of expenditure.



OM METALS & MINERALS LTD.

C. Technology Absorption, Adoption and Innovation :

- i) Efforts in brief were made towards technology absorption and innovation. Progress was made in the up gradation of technology and innovation in the following areas :

Replacement of electric hoist to hydraulic hoist.

Cutting and welding for gate and hoist fabrication.

Efforts for technology development & innovation are going on.

- ii) Benefits derived as a result of the effort product improvement.

Cost reduction.

Product development & Import substitution etc.

- iii) Technology imported during the last 5 years.

- NIL -

D. Foreign Exchange Earning and Outgo :

- i) Activities relating to exports, initiatives taken to increase exports, development of new export, development of new export markets for products and services and export plans.

- ii) Total foreign exchange used and earned.

(Rs. in Lacs)

31.03.2003 31.03.2002

- i) Earning by ways of :

a) Exports	NIL	NIL
b) Service (Commission)	NIL	NIL

- ii) Outgo by way of

- a) CIF value of imports
b) Travelling & Others
c) Capital Goods

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company continued to lay great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

1. Company's Philosophy on Code of Governance

Good Corporate Governance refers to the adoption of ethical business practices which ensure that the Company operates beyond the mere mandatory regulatory framework. The adoption of such corporate practices based on transparency and full disclosures ensures accountability of the Board and Management of the Company, minimises agency costs and maximises long term shareholder value, while preserving the interests of multiple stake holders like investors, customers, creditors, employees and the society at large.

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance and accordingly amended the listing agreement. According to the listing agreement, Om Metals was required to comply with the code within the financial year 2002-2003 and Om Metals had implemented the mandatory requirements. This section, along with the sections on management discussions and analysis and additional shareholders information, constitutes Om Metal's compliance with Clause 49 of the listing agreement for 2002-03.

2. **Composition of Board :** The Board of Directors has a mix of Executive and Non-Executive Directors. The Board comprises of two whole time directors (the Managing Directors and one Executive Directors) and three non-executive Directors including the Chairman of the Board. Two of the three non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the listing agreement.

Except the Chairman and the Managing Director all other Directors are liable to retire by rotation as per provisions of the Companies Act, 1956.

The composition of the Board and other relevant details relating to Directors are given below :

No. of Name of Directors	No. of other Board Category	No. of other Directorship	Memberships No. of other Board Committees	Committees of which the Directors is a Chairperson
Dr. T. C. Kothari	Non-Executive	3	NIL	NIL
Mr. C. P. Kothari	Executive	3	NIL	NIL
Mr. D. P. Kothari	Executive	1	NIL	NIL
Mr. P. C. Jain	Non-Executive Independent	1	NIL	NIL
Mr. B.V. Maheshwari	Non-Executive Independent	NIL	NIL	NIL



OM METALS & MINERALS LTD.

Attendance of each Director at Board and last Annual General Meeting :

During the year 2002-03, 12 Board Meetings were held on May 3, June 20, July 29, August 19, October 8 and 23, November 15 and December 18, 2002, January 31, February 5, March 6 and March 19, 2003. The last Annual General Meeting of the Company was held on September 30, 2002.

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM
Dr. T.C. Kothari	12	Present
Mr. C. P. Kothari	10	Present
Mr. D. P. Kothari	09	Present
Mr. P. C. Jain	08	Present
Mr. B.V. Maheshwari	08	Present

3. Audit Committee

The Audit Committee constituted in December 2000 consists of two independent Non-Executive Directors and one Executive Director. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under :

- Mr. B.V. Maheshwari
- Mr. D.P. Kothari
- Mr. P.C. Jain

The terms of reference of the Audit Committee include :

- To review Financial statements and pre-publications announcements before submission to the Board.
- To ensure compliance of internal control systems and action taken on internal audit reports.
- To apprise the Board on the impact of accounting policies, accounting standards and legislation.
- To hold periodical discussions with statutory auditors on the scope and content of the audit.
- To review the company's financial and risk management policies.

During the financial year 2002-2003, 5 Audit Committee Meetings were held on May 3, June 25, October 23, 2002 and January 31, 2003. Mr. B.V. Maheshwari attended all the meetings of the Committee Mr. P.C. Jain and Mr. D.P. Kothari could not attend the meeting on June 25th and January 31st respectively.

4. Remuneration of Directors

The Company has no pecuniary relationship or transaction with its Non-Executive Directors other than professional fee, payment of sitting fees to them for attending Board and Committee Meetings.

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Managing/Wholtime Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards and is subject to approval of Board of Directors and Members. The remuneration policy is aimed at attracting and retaining high caliber talent. The Company has no stock option scheme.

Details of remuneration paid to Directors of the Company during the year ended March 31, 2003 are given below :

Particulars	Rs. Lacs.
a) Salary and Allowance	7.44
b) Perks and Benefits	1.08
c) Consultancy to Chairman	1.86

5. Shareholders' Investors' Grievance Committee

The Board constitutes a Shareholders/Investors Grievance Committee in April 2002. The Committee consists of four Directors, viz. Mr. C.P. Kothari, Mr. D.P. Kothari, Mr. P.C. Jain, Mr. B.V. Maheshwari. Mr. B.V. Maheshwari a Non-executive Director heads this Committee. The Committee meets every month or at frequent intervals to consider, inter alia, share transfers, investor complaints etc.

Mr. D.P. Kothari, Wholtime Director, is the Compliance officer.

During the year 2002-2003, complaints were received from shareholders/investors regarding transfer of shares etc. Details of complaints are given below :

Nature of complaints/enquiries	Number of complaints/	Number redressed enquiries
Non-receipt of shares lodged for transfer	3	3
Others	7	7

All complaints/enquiries have generally been solved to the satisfaction of the complainants.

All valid share transfers received during the year 2002-03 have been acted upon by the Company and the number of pending share transfers, as on March 31, 2003 were 3. There have since been acted upon.



OM METALS & MINERALS LTD.

6. General Body Meetings

Location and time where last three Annual General Meetings were held are given below :

Financial Year	Date	Location of the Meeting	Time
1999-00	30.09.2000	B-117-118, I Estate Kota	11 a.m.
2000-01	30.09.2001	B-117-118, I Estate Kota	11 a.m.
2001-02	30.09.2002	B-117-118, I Estate Kota	11 a.m.

No Special Resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

7. Disclosures

- a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

There are no materially significant related party transactions that may have any potential conflict with the interests of the Company at large. Attention is drawn to Schedule XVIII to the Accounts.

- b) Details of non-compliance by the Company, penalties strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

8. Means of Communication

The quarterly, half-yearly and full year results are normally published in Rajasthan Patrika and Economic Times.

9. Management Discussion and Analysis Report

The coverage on this has been taken up later in this Annual Report.

10. General Shareholder Information

Annual General Meeting

Date and Time : September 30, 2003 at 11 a.m.

Venue : B-117/118, Indraprastha Ind. Area,
Kota, Rajasthan

Financial Calender

The Company follows April-March as its financial year.

Dates of Book Closure

September 28, 2003 to September 30, 2003 (both days inclusive)

Listing on Stock Exchanges

The Company's shares are listed on the Stock Exchange, Mumbai, Jaipur, Ahemdabad and Delhi.

Market Price Data

The shares of the Company are not actively traded hence the past year data not complied.

Registrars and Share Transfer Agents

M/s. Skyline Financial Service. Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar, New Delhi-110024

Tel. : 011-26833777

Fax : 011-26918352

E-mail : skyline_fspl@rediffmail.com

Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and effected within 15 days from the date of receipt.

Shares held in the dematerialised form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

Distribution of Shareholding (as at March 31, 2003)

Category	No. of Shares	%
Promoters	4580100	81.51
NRI's/OBCs	4700	00.08
Domestic Companies	39900	00.71
Indian Public	994415	17.69
Total	5619115	100

Dematerialisation of shares and liquidity

As on June 30, 2003. 12000 of the shares were held in dematerialised form and the rest in physical form.

Plant Locations

The Company's plants located at :

B-117/118, Indraprastha Ind. Area, Kota, Rajasthan



OM METALS & MINERALS LTD.

Address for investor correspondence

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares please write to :

M/s. Skyline Financial Service Pvt. Ltd.

23, Vinoba Puri, Lajpat Nagar, New Delhi-110024

Tel. : 011-26833777

Fax : 011-26918352

E-mail : skyline_fspl@rediffmail.com

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To

The Members of Om Metals Limited

1. We have examined the compliance of conditions of Corporate Governance by Om Metals Limited (the company) for the year ended March 31, 2003, as stipulated in Clause 49 of the Listing Agreement.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination

was limited to 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 opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the year ended March 31, 2003 no investor grievances are pending against the Company as on June 30, 2003.
5. 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.

Sd/-

S.K. Mahipal

Partner

For and on Behalf of

M. C. Bhandari & Co.

Chartered Accountants

Place : Kota

Dated : 30.06.2003



OM METALS & MINERALS LTD.

Management discussion and analysis

Overall review

The company had secured the contract for Gates structure package of Gosikhurd Irrigation project in Maharashtra last year which did not contribute much to the current year's turnover of the company resulting from a fund crisis with the project authorities causing delay in payment which affected supplies. In spite of this the overall performance of the company registered a growth of 85% for the following reasons :

- a) The company is appropriately achieving the scheduled target of supply and erection of HM package in Larji HEP
- b) The 40% work of new project-Prakasam barrage at Andhra Pradesh was completed ahead of schedule.
- c) The other projects at Bhutan, Arunachal Pradesh and Sikkim which are heading towards completion have reasonably contributed to the turnover.
- d) The multiplex at Kota has shown exemplary performance this year.

Industry outlook

Engineering Division :

The outlook of the industry mainly depends on the new irrigation and hydro power projects. The Prime Minister of India has unveiled the 50000 MW hydro electric initiative launched by Ministry of Power on 24th May, 2003. In the first phase of initiative pre feasibility report on 162 new hydro-electric projects in 16 states with a proposed capacity of over 50000 MW are to be implemented. Ministry of Power has set a target for increasing installed capacity in hydro by more than 34000 MW during the 10th and 11th five year plans against the present installed capacity of about 27000 MW.

Numerous irrigation projects are also in pipelines within various states of the country.

With great impetus on hydro power development and irrigation projects, the industry is rapidly growing and is expected to rise tremendously in the years ahead.

Hotel and Multiplex

The affected hotel industry after 9/11 terrorists attack in United State has started recovering at a faster pace. Nevertheless the arrival rate of international tourists in Jaipur has been steadily growing. Jaipur being the most popular tourist destination in India forms a part of Golden Triangle of tourism. As per Department of Tourism statistics around 35%-40% of the international tourists coming to India visit Golden Triangle.

The set back in the cinema industry after VCR's, VCD's and satellite channels is on the perishing track and the new age multiplexes all over the country have been fascinating the cinegoers once again. The reeling cinema industry has breathed fresh oxygen after super success of LAGAAN and GADAR and the cinegoers are by and large back to the cinema houses for enjoying a high tech sound system, special effects and other dimensions never available at home.

Opportunities :

The present installed generating capacity in the country is 107973 MW which is shared by thermal 71% and hydro 25%. The present ratio of 25:75 in the thermal and hydro needs to be corrected and the Indian power system requirement has been

assessed to need a hydro power and thermal/nuclear mix in the ratio of 40:60. The estimated hydro potential in the country is 150000 MW out of which only 26910 MW amounting to 18% of the total potential has been harnessed. Almost 35000 MW capacity is planned to be added in the 10th and 11th plan. Other projects in the irrigation and drinking water segment are also coming up and these factors are going to bring numerous projects across the country there by providing enough growth opportunities for the industry and the company in the field of hydro mechanical packages.

The revolving restaurant at 180 ft. height in the hotel tower is going to be a landmark in the city of Jaipur. It has the potential of attracting all the hotel goers of the city national and international tourists to make a visit to restaurant.

The company has captured an unexplored territory of six districts surrounding city of Kota by establishing a state of the art 3 screen multiplex. Kota emerging as a prominent hub for IIT, PMT & PET students contributing to the simulating success of the multiplex.

Company Outlook

In view of the projects being allotted via international competitive bidding, the company is taking part in the bidding of projects of neighbouring countries. With the expansion of existing works facilities, extensive execution of works at project sites, control over costs, energy conservation measures, sound financial position, tax holidays under section 80IB of Income Tax Act 1961 for projects in backward states and debottlenecking of other hurdles, management is optimistic about the future outlook of the company in the medium to long term perspectives.

Construction of additional 40 rooms facilities with other hotel amenities adjacent to the existing hotel cum revolving tower is progressing very fast to make the hotel project more viable.

Risk and concerns

The management for the company considers following as business risks :

1. The increase in steel prices during last six months has put an impact on tender quotation and has affected the profit margin in the ongoing projects where escalation clause does not subsist.
2. The international competitive bidding poses a threat of higher competition with the multinationals who are better organised and the countries like China with cheap labour rates and low raw material cost enjoy an edge over domestic players.
3. Small players in the industry enjoying low overhead costs are a cause of concern in small project works.
4. The impact of war, terrorists attack and disturbances in the north eastern regions affect the smooth functioning at the project sites.

Internal Control Systems and Adequacy

Internal Audit Work is conducted by professional firms of Chartered Accountants as per the requirement of Companies Act. These firms have consistently expressed their satisfaction about the adequacy of internal control systems and procedures followed by the company for conducting its business efficiently. The systems and procedures followed by the company give a reasonable assurance for the security of its assets and protect against losses from unauthorised use or desposition and that the transactions are properly authorised, recorded and reported.



OM METALS & MINERALS LTD.

Human Resources

In today's competitive world where creativity and innovation are increasingly becoming important development of Human Resources is the call of the day. Your company is taking various steps to develop the skills and enhance the knowledge of its Human Resources, which inter-alia, include the following :

- a) Comprehensive and user friendly Performance Appraisal System has been evolved to create result oriented culture.
- b) Workers involvement in Quality Control Circles is promoted which results in Problem Solving and improvement in Operational Areas.
- c) Knowledge sharing is encouraged through circulation of various knowledge building articles and strengthening internal communication.
- d) Suggestion Scheme involving all employees at all the project sites is receiving good response and improving quality of work.

e) Job rotation and freedom to employees to experiment in their work area is encouraged.

Safety, Environment and Pollution Control

The Company ensures high safety and environment standards in all its operations at all site locations. Safety needs are continuously monitored and preventive actions are initiated through safety committees consisting of staff and workmen.

Cautionary Statement

Certain statements in this report on "Management Discussion and Analysis" may be forward looking statement and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such may affect the actual results which could be different from the envisaged.



OM METALS & MINERALS LTD.

AUDITOR'S REPORT

To the Share Holder
M/s. OM METALS & MINERALS LIMITED
Kota

We have audited the attached Balance Sheet of M/s. Om Metals & Minerals Limited, 30-31 New Grain Mandi, Kota (Raj) as at 31-3-2003 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. The accounts of branches/division i.e. Engineering & Multiplex Divisions audited by other auditors are incorporated in the said Balance Sheet and Profit & Loss Account and Cash Flow Statement which have been forwarded to us and have been considered the same in preparing this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit and 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.

As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, and notes on accounts given in Schedule No. XVIII, 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 purpose 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 those books.
- (c) The reports of other auditors in respect of divisions/branches audited by them under Section 228 of the Companies Act, 1956 have been forwarded to us and have been appropriately dealt with;
- (d) The Balance Sheet and Profit & Loss Account & Cash Flow Statement, dealt with by this report are in agreement with the books of account (and with the audited returns from the divisions/branches);
- (e) In our opinion, the Balance Sheet and Profit & Loss Account & Cash Flow Statement dealt with by this Report comply with all the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. Subject to the non compliance of AS 2 issued by Institute of Chartered Accountants of India regarding valuation of finished goods. Refer to note no. 12 of schedule no XVIII.
- (f) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31-03-2003 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (g) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies & notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31-02-2003
 - (ii) In the case of the Profit & Loss account, of the profit available for appropriation for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M.C. BHANDARI & CO.
Chartered Accountants

Place : KOTA
Dated : 30-06-2003

Sd/-

(S. K. MAHIPAL)
Partner

(12)



OM METALS & MINERALS LTD.

ANNEXED TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE ON THE ACCOUNTS OF M/S. OM METALS & MINERALS LIMITED KOTA FOR THE YEAR ENDED ON 31ST MARCH, 2003

On the basis of the information and explanations given to us and on the basis of such checks as we considered appropriate, our statement on the matters specified in para III and IV of the said order is given below. In preparing the report, we have also considered the report made under the aforesaid order by other auditors, who have audited the accounts of the Branches/Divisions (Cinema & Engineering Division) of the company

The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets but frequent changes in location of assets have not been incorporated in the assets register. According to the information and explanations given to us most of the fixed assets of the company have been physically verified by the management in a phased programme of verification adopted by the company. In our opinion & to the best of our knowledge the frequency is reasonable & no material discrepancies have been noticed on verification.

None of the Fixed Assets has been revalued during the year.

As explained to us, the stock of finished goods, raw material components, accessories and stores & spare parts of the company in its possession have been physically verified during the year. In our opinion the frequency of physical verification is reasonable having regard to the size of the company and the nature of its business.

- 4) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate considering the size of the company and the nature of its business.
- 5) No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as appears from examination of the books.
- 6) On the basis of our examination of stock and other records in our opinion the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles, except for non compliance of AS 2 issued by Institute of Chartered Accountants of India, regarding valuation of finished goods (refer note no. 12 of schedule no. XVIII which is on the same basis as in the preceeding year.)
- 7) In our opinion the terms & conditions on which the unsecured loans have been obtained from the subsidiary company, inter corporate deposits and directors are not prima facie prejudicial to the interest of the company. However no other loans have been taken from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956 or from companies, firm or other parties listed under Section 301 of the Companies Act, 1956.
- 8) The company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 and/or to the companies under the same management as defined under subsection (1B) of Section 370 of the Companies Act, 1956.
- 9) Loans and advances in the nature of loans have been given to employees and others and the same are generally being repaid as per stipulations wherever made along with interest wherever applicable.
- 10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of business with regards to purchase of stores, raw material including components, plant & machinery, equipments and other assets and for the sale of goods.
- 11) In our opinion and according to the information given to us and on the basis of our test checking of transactions of purchase & sale of goods and material and services in excess of Rs. 50,000/- in value for each type there of from firms or companies or the parties in which directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956 and on the basis of such information and explanations given to us, we are of the opinion that the price paid for those purchases/sales/services are reasonable having regard to the prevailing market price and taking into account the fact that for certain specialized items, the alternative sources are limited and that others are made with reference to competitive quotations, price list or private tender, quality and delivery schedule as the case may be of other parties where available.
- 12) As explained to us, the company has regular procedure for determination of unserviceable and damaged stores, raw materials and finished goods on the basis of technical evaluation and on such basis in our opinion adequate provisions have been made in the accounts for loss arising on the items so determined.
- 13) In our opinion and according to the information and explanations given to us, the company has not invited deposits from public to which the provisions of Section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public and rules made there under apply.



OM METALS & MINERALS LTD.

- 14) In our opinion reasonable records have been maintained by the company for the sale and disposal of realisable scrap where applicable and significant. We have been informed that the company does not have any by-products.
- 15) The company has appointed the staff to do Internal Audit regularly. In our opinion, internal audit system commensurate with the size & nature of company's business.
- 16) As explained by the management, the maintenance of cost records has not been prescribed under Section 209 (1) (d) of the Companies Act, 1956 for any of the products manufactured of the company.
- 17) The company has normally deposited Provident Fund and Employees State Insurance during the year with appropriate authorities regularly except for delay in some cases.
- 18) According to the information and explanations given to us no undisputed amount payable in respect of Customs duty, Sales Tax, Excise duty, Income Tax and Wealth Tax were outstanding as at 31-03-2003 for which have remained unpaid for more than six months from the date on which they become payable.
- 19) According to the information and explanations given to us and the records examined by us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- 20) The company is not a sick industrial company within the meaning of clause (0) of Section 3 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 21) As regards the companies trading activities, no damaged goods were held in stock at the close of the year.

For M.C. BHANDARI & CO.
Chartered Accountants

Place : KOTA
Dated : 30-06-2003

Sd/-
(S. K. MAHIPAL)
Partner



OM METALS & MINERALS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2003

PARTICULARS	SCHEDULE	Figures as at 31-03-2003 Rs.	Figures as at 31-03-2002 Rs.
SOURCES OF FUNDS			
Share Holders' Funds :			
Share Capital	I	56191150.00	56472000.00
Reserves & Surplus	II	164932001.29	133977788.61
		<u>221123151.29</u>	<u>190449788.61</u>
Loan Funds			
Secured Loans	III	59590898.29	45798511.44
Unsecured Loans	IV	35737244.53	3082000.00
		<u>95328142.82</u>	<u>48880511.44</u>
Deferred Tax Liability (Net)	V	10439030.00	15428900.00
TOTAL FUNDS EMPLOYED		<u>326890324.11</u>	<u>254759200.05</u>
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	VI	200229807.30	199590821.06
Less : Depreciation		76930764.39	69117757.56
Net Block		<u>123299042.91</u>	<u>130473063.50</u>
Capital Work in Progress		108570029.95	74538397.87
		<u>231869072.86</u>	<u>205011461.37</u>
Investments	VII	14583800.00	12822800.00
Current Assets Loans & Advances			
Inventories	VIII	27397337.00	30162261.42
Sundry Debtors		41118655.14	37583226.31
Cash & Bank Balance		17614721.93	48530750.01
Loans & Advances		44541796.08	47187942.57
		<u>130672510.15</u>	<u>163464180.31</u>
Less : Current Liabilities & Provisions	IX	50923813.84	127681543.57
Net Current Assets		<u>79748696.31</u>	<u>35782636.74</u>
Miscellaneous Expenses	X		
(To the extent not written off or adjusted)			
Public Issue Expenses		688754.94	1142301.94
		<u>326890324.11</u>	<u>254759200.05</u>
NOTES TO THE FINANCIAL STATEMENTS	XVIII		

As per our report of even date.

For M.C. BHANDARI & CO.
Chartered Accountants

Sd/-
(S. K. MAHIPAL)
Partner

Sd/-
(T. C. KOTHARI)
Chairman

For OM METALS & MINERALS LIMITED

Sd/-
(C. P. KOTHARI)
Managing Director

Place : KOTA
Dated : 30-06-2003

Sd/-
(D. P. KOTHARI)
Director



OM METALS & MINERALS LTD.

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

PARTICULARS	SCHEDULE	Year Ended on 31-03-2003 Rs.	Year Ended on 31-03-2002 Rs.
INCOME			
Sales of products and Other Income	XI	323006378.82	174766665.61
TOTAL INCOME		323006378.82	174766665.61
EXPENDITURE			
Material Consumed / Traded (Increase) / Decrease in Stocks of	XII	110023363.93	50118305.02
Finished Goods & Goods in Process	XIII	66094171.42	(21159430.90)
Payment to & Provision for Employees	XIV	13224469.21	19232974.77
Manufacturing & Operating Expenses	XV	47017492.50	55608297.90
Administrative & Selling Expenses	XVI	33082390.35	22115051.83
Financial Expenses	XVII	12678868.41	5731148.16
		282120755.82	131646346.78
Profit Before Taxation		40885623.00	43120318.83
Less : Depreciation		10999221.07	7731063.71
Less : Transfer to Revaluation Reserves		489374.00	467514.00
		10509847.07	7263549.71
Profit After Depreciation		30375775.93	35856769.12
Less : Provision for Taxation		2500000.00	3400000.00
Less : Provision for Deferred Taxation		0.00	191900.00
Add. Deferred Tax Assets Created		4989870.00	0.00
Profit during the year		32865645.93	32264869.12
Profit as per last Balance Sheet		68493825.63	51465956.51
Less : Deferred Tax Liability as on 1.4.2001 adjusted.		0.00	13237000.00
Balance Available for Appropriation		101359471.56	70493825.63
APPROPRIATION			
Less : Provision for Taxation for earlier year		277624.25	0.00
Transfer to General Reserve		0.00	2000000.00
Balance Carried to Balance Sheet		101081847.31	68493825.63
		101359471.56	70493825.63
Earning per Share Basic/Diluted (Refer note - B (9) in Schedule XVIII)		5.85	5.71

NOTES TO THE FINANCIAL STATEMENTS XVIII

As per our report of even date.

For M.C. BHANDARI & CO.
Chartered Accountants

Sd/-
(S. K. MAHIPAL)
Partner

Sd/-
(T. C. KOTHARI)
Chairman

For OM METALS & MINERALS LIMITED

Sd/-
(C. P. KOTHARI)
Managing Director

Place : KOTA
Dated : 30-06-2003

Sd/-
(D. P. KOTHARI)
Director



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - I

PARTICULARS	AS AT 31-03-2003 Rs.	AS AT 31-03-2002 Rs.
SHARE CAPITAL :		
AUTHORISED		
80,00,000 Equity Share of Rs. 10/- each	<u>80000000.00</u>	<u>80000000.00</u>
ISSUED		
56,19,115 Equity share of Rs. 10/- each (67,86,300 Equity Share of Rs. 10/- each in previous year)	<u>56191150.00 *</u>	<u>67863000.00</u>
SUBSCRIBED AND PAID UP		
59,19,115 Equity Share of Rs. 10/- each (67,86,300 Equity Share of Rs. 10/- each in previous year) Fully paid up in cash	56191150.00 *	67863000.00
Less : Calls in arrears	0.00	11391000.00
Total :	<u>56191150.00</u>	<u>56472000.00</u>

- * NOTE :- (1) Out of above 19,56,800 and 22,98,600 fully paid Equity Shares of Rs. 10/- each were allotted in the year 1992-93 and 1994-95 respectively as Bonus Shares by capitalisation of Capital Reserve, Investment Allowance (utilised) Reserve, General Reserve and Profit & Loss Account.
- (2) * Share capital reduced in terms of the scheme of arrangement as per order of Hon'ble Rajasthan High Court dated 9.8.2002. Partly paid up shares are converted into fully paid up shares.



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - II

PARTICULARS	AS AT 31-03-2003 Rs.	AS AT 31-03-2002 Rs.
RESERVES & SURPLUS		
A. REVALUATION RESERVE		
On Revaluation of Assets as per last Balance Sheet	10190336.15	11388534.15
Less : Depreciation Provided on Revalued Assets during the year	489374.00	467514.00
Less : Sales of Fixed Assets	0.00	730684.00
	<u>9700962.15</u>	<u>10190336.15</u>
B. CAPITAL RESERVE		
i) On Sale of Fixed Assets As per last Balance Sheet	<u>2470584.83</u>	<u>2470584.83</u>
ii) Capital Subsidy As per last Balance Sheet	<u>2470584.83</u>	<u>2470584.83</u>
Less : Recovered by Deptt.	4932400.00	4932400.00
	<u>7785.00</u>	<u>0.00</u>
	<u>4924615.00</u>	<u>4932400.00</u>
C. SHARE PREMIUM		
Share Premium Receivable	91452000.00	91452000.00
Less : Allotment Money in Arrear	10608.00	45561358.00
Less : Share Premium Reduced (See note no. (B) (3) Schedule No. XVIII)	46687400.00	0.00
	<u>44753992.00</u>	<u>45890642.00</u>
D. GENERAL RESERVE		
As per last Balance Sheet	2000000.00	2000000.00
Add. Transfer from Profit & Loss Account	0.00	2000000.00
	<u>2000000.00</u>	<u>4000000.00</u>
Less : Adjusted for Deferred Tax Liabilities as on 01-04-2001	0.00	2000000.00
	<u>2000000.00</u>	<u>2000000.00</u>
E. PROFIT & LOSS ACCOUNT		
Profit as per Profit & Loss Account Annexed	101081847.31	68493825.63
	<u>101081847.31</u>	<u>68493825.63</u>
TOTAL :	<u>164932001.29</u>	<u>133977788.61</u>



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - II

SCHEDULE - III

PARTICULARS	AS AT 31-03-2003 Rs.	AS AT 31-03-2002 Rs.
SECURED LOANS :		
TERM LOAN		
i) From T.F.C.I. Ltd. (See Note No. 1)	0.00	4700000.00
ii) From RIICO Ltd. (See Note No. 2)	32500000.00	0.00
iii) From Others (See Note No. 3)	2856870.25	578455.74
WORKING CAPITAL FACILITIES		
i) Cash Credit Hypothecation :		
From SBBJ (See Note No. 4 (i))	21380919.54	34950547.89
From Bank of Baroda (See Note No. 4 (i))	603108.50	1487528.27
From IDBI Bank (See Note No. 4 (i))	0.00	236358.00
ii) Short Term Loan against FDR from Bank of Baroda, SBBJ and PNB (See Note No. 4 (ii))	2250000.00	3845621.54
	59590898.29	45798511.44

Term Loan includes Rs. 80.64 Lacs due within year (Previous Year Rs. 51.46 Lacs)

NOTES :

- Secured first charge by way of equitable mortgage of lease of land. The lease land agreement executed by Om Structural (I) (P) Ltd. & Om Kothari Pariwarik Trust and hypothecation of building & plant & machinery and other assets of hotel cum revolving unit and further secured by way of personal guarantees of directors of Om Kothari Enterprises Ltd. and guarantee of Om Metals & Minerals Limited.
- Secured by way of equitable mortgage of lease of land belonging to M/s. Om Structural (I) (P) Ltd. & Om Kothari Pariwarik Trust, Sah Buildcon (P) Ltd. & Richa Builders (P) Ltd. under an agreement and hypothecation of building & plant & Machinery and other assets of hotel cum revolving unit and further secured by way of personal guarantees of Shri T.C. Kothari, Shri C.P. Kothari and Shri D.P. Kothari Directors of the company.
- Secured by way of Hypothecation of vehicles financed by CITI Bank/Private Financiers (N.B.F.C.)
- (i) Loans from Banks : Cash Credit accounts are secured by way of hypothecation of stock/stores and books debt on ranking pari-passu charges. These loans are further secured/to be secured on pari-passu charges by a first charge (except on which secured loans has been taken from financial institution and other parties etc.) by way of mortgage/hypothecation of all the immovable/movable properties of the Company and personal guarantees of the Shri T.C. Kothari, Shri C.P. Kothari and Shri D.P. Kothari Directors of the Company and further secured by way of equitable mortgage of Land & Building belonging to Om Kothari Cement & Chemicals (P) Limited, Jupiter Metals (P) Limited, Om Rajasthan Carbide Limited, Jupiter Mfg. Co. (P) Limited and Om Structural (I) (Pvt.) Limited.
(ii) Secured by way of mortgaging of FDR.
- In the case of Bank Guarantee limits, it is secured by way of mortgage of FDR (Margin money) counter guarantee of the company and the personal guarantee of Directors of the company and collateral securities as mentioned above [4 (i)] on ranking pari-passu.



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - IV

PARTICULARS	AS AT 31-03-2003 Rs.	AS AT 31-03-2002 Rs.
UNSECURED LOANS :		
From RIICO Ltd. (Sales tax interest free loan)	2386880.00	3082000.00
Inter Corporate Deposit	29319697.07	0.00
From Directors	4030667.46	0.00
	<u>35737244.53</u>	<u>3082000.00</u>

Note : Rs. 6.96 lacs is due to RIICO Ltd. during this year (previous year 2002-03 Rs. 6.96 lacs).

SCHEDULE - V

DEFERRED TAX LIABILITIES AND ASSETS :

Deferred Tax Liabilities

Depreciation	12040315.00	15977400.00
	<u>12040315.00</u>	<u>15977400.00</u>

Deferred Tax Assets

Provision for Gratuity & Leave Encashment	613724.00	548500.00
Capital Loss	987561.00	0.00
	<u>1601285.00</u>	<u>548500.00</u>
Deferred Tax Liabilities (Net)	<u>10439030.00</u>	<u>15428900.00</u>



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - VI

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NETBLOCK	
	AS AT 01-04-2003	ADDITION/ TRANSFER	DEDUCTION/ TRANSFER	TOTAL AS AT 31-3-03	UPTO 31-03-2002	DURING THE YEAR	DEDUCTION/ TRANSFER	TOTAL AS AT 31-3-03	AS AT 31-3-2003	AS AT 31-3-2002
1) Agricultural Land	521761.50	-	-	521761.50	-	-	-	-	521761.50	521761.50
2) Lease Hold Land	22830929.31	64965.00	-	22895894.31	685.00	-	-	685.00	22895209.31	22830244.31
3) Building	39202056.26	4785487.59	3050556.00	40936987.85	9449363.77	3204442.54	826705.90	11827100.41	29109887.44	29752692.49
4) Commercial Building	3983000.00	-	-	3983000.00	-	-	-	-	3983000.00	3983000.00
5) Plant & Mach Electrical Fitting	107393124.14	1069375.97	6289671.00	102172829.11	46937295.34	5043945.57	2213554.34	49767686.57	52405142.54	60455828.8
6) Furniture Fixture & Office Equipments	13046211.72	907784.17	0.0	13953995.89	6364305.32	1063152.78	0.00	7427458.10	6526537.79	6681906.40
7) Vehicles	8135286.73	3150838.00	160560.00	11125564.73	5566005.13	1437492.00	145955.00	6857542.13	4268022.60	2569281.60
8) Air Conditioners and Coolers	4478451.40	161322.51	0.00	4639773.91	800103.00	250189.18	0.00	1050292.18	3589481.73	3678348.40
Total	199590821.06	10139773.24	9500787.00	200229807.30	69117757.56	10999222.07	3186215.24	76930764.39	123299042.91	130473063.50
Total Previous Year	201890356.61	40795916.58	43095452.33	199590821.06	94104415.91	7731063.71	32717721.26	69117758.36	0.00	0.00
Capital Work- in-Process	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	108570029.95	74538397.87
Total	201890356.61	40795916.58	43095452.33	199590821.06	94104415.91	7731063.71	32717721.26	69117758.36	231869072.86	205011461.37

Note :-

- The company has taken lease hold land at Kota on sub-lease basis under an agreement for construction of building with the stipulation that it shall be handed over after expiry of lease period and cost (W.D.V.) of building shall be recovered.
- Lease hold land includes tenancy right.



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - VII

PARTICULARS	AS AT 31-03-2003 Rs.		AS AT 31-03-2002 Rs.	
	No of units	Face Value	Cost	Cost
1. INVESTMENTS :				
a) OTHER INVESTMENTS (UNQUOTED)				
Ordinary shares (fully paid up)				
M/s. Om Structurals (I) (P) Limited	45500	455000	459750	459750
M/s. Om Kothari Steel & Alloys	110000	1100000	1100000	1100000
M/s. Om Rajasthan Carbide Ltd.	25000	250000	1750000	0
M/s. Om Power Corporation Ltd.	190000	1900000	1900000	1900000
			<u>5209750</u>	<u>3459750</u>
b) OTHER INVESTMENT (QUOTED)				
Ordinary Shares (Fully paid up)				
Manglam Timber Ltd.	800	8000	17040	17040
Chambal Fertiliser & Chemicals Limited	10000	100000	100000	100000
Indian Petro Chemicals Ltd.	200	2000	32000	32000
Reliance Industries Ltd.	60	600	1000	1000
State Bank of India	50	500	5000	5000
Century Enka Limited	20	200	6000	6000
			<u>161040</u>	<u>161040</u>
c) Other Securities (Quoted)				
Indian Petro Chemicals Ltd. (Debenture)	100	5000	5000	5000
			<u>5000</u>	<u>5000</u>
2. INVESTMENT IN SUBSIDIARY CO. :				
Ordinary Share (Unquoted) fully paid up				
M/s. Om Kothari Enterprises Ltd.	919501	9195010	9195010	9195010
			<u>9195010</u>	<u>9195010</u>
3. OTHER INVESTMENT :				
National Saving Certificate (Deposited with Sales Tax Department interest is to be adjusted on realisation)			13000	2000
			<u>13000</u>	<u>2000</u>
Total :			<u>14583800</u>	<u>12822800</u>
Notes :				
1. Aggregate Book Value Shares/Debentures	- Quoted		1.66	1.66
	- Unquoted		144.05	126.55
Aggregate Market Value	- Quoted		1.94	1.69



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - VIII

PARTICULARS	AS AT 31-03-2003 Rs.	AS AT 31-03-2002 Rs.
CURRENT ASSETS, LOANS & ADVANCES :		
1. INVENTORIES (Stocks taken valued and certified by the management)		
RAW MATERIAL & STORES		
a) Raw Material, Accessories & Components (at cost)	10625630.00	1829752.00
b) Stores & Spares (at cost)	74126.00	32140.00
c) Goods in Transit (at cost)	0.00	427238.00
FINISHED GOODS		
a) Fabrication Goods (at contracted/selling price)	3322840.00	1877630.00
b) Other (Trading Goods) (at cost)	8163.00	14948.00
WORK-IN-PROCESS At estimated cost or net realisable value, whichever is lower		
	13366578.00	25980553.42
Sub Total :	27397337.00	30162261.42
2. SUNDRY DEBTORS Debtors for which company held no security other than personal security of debtors.		
a) Debtors outstanding for a period exceeding 6 months		
i) Considered good	9204249.11	6674741.93
ii) Considered doubtful (Provision not made)	0.00	0.00
b) Other debts (Considered good)	31914406.03	30908484.38
Sub Total :	41118655.14	37583226.31
3. CASH & BANK BALANCE		
a) Cash in hand (including at branches/divisions as per cash book and as certified by the management.)	1191074.29	341496.48
b) BALANCE WITH SCHEDULED BANKS		
i) On Current Account	3559543.39	702048.28
ii) On Fixed Deposit receipts and Margin Account (Pledged with Bank as Guarantees)	12614058.25	47271337.25
iii) Interest Accrued on FDR	250046.00	215868.00
Sub Total :	17614721.93	48530750.01
4. LOANS AND ADVANCES		
a) Advances recoverable in cash or kind value there of to be received or adjusted (Unsecured considered good)	15492076.75	10528336.95
b) Advance to Employees	280725.90	559672.30
c) Security & Earnest Money Deposit	14354743.06	17164519.70
d) With Customs & Excise Authorities	332568.00	107.00
e) Income Tax deducted at source on works/Advance Income Tax & Demand Paid	14081682.37	18935306.62
Sub Total :	44541796.08	47187942.57



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2003

SCHEDULE - IX

PARTICULARS	Y E A R E N D E D O N	
	31-03-2003 Rs.	31-03-2002 Rs.
CURRENT LIABILITIES & PROVISION :		
1. CURRENT LIABILITIES :		
a) Sundry Creditors		
i) For Goods supplied	19455463.28	14213316.80
ii) For Expenses and other Liabilities	9631930.35	24515723.40
b) Advance & Security Deposit from Customers Less : W.I.P. (Contract Bills Less : Retention amount) refer note no. (A) (VI) (a) of Schedule No. XVIII.	3142415.10	56388615.70
c) Balance with Schedule Bank due to reconciliation.	6955391.11	16474861.67
d) Interest accrued but not due on loans.	691095.00	0.00
	<u>39876294.84</u>	<u>111592517.57</u>
2. PROVISIONS :		
a) For Taxation	9377526.00	14552526.00
b) For Gratuity	1424307.00	1272269.00
c) For Leave encashment	245686.00	264231.00
Sub Total :	<u>11047519.00</u>	<u>16089026.00</u>
Grand Total :	<u>50923813.84</u>	<u>127681543.57</u>

Note :

Sundry creditors for expenses & other amounting to Rs. 7.82 lacs on at 31-03-2003, which are required to be refunded to share holders on account of reduction of share capital as per order of Hon'ble Rajasthan High Court.

MISCELLANEOUS EXPENDITURE :

(To the extent not written off or adjusted)

Public Issue Expenses.	1142301.94	1595848.94
Less : 1/10 written off during the year	453547.00	453547.00
	<u>688754.94</u>	<u>1142301.94</u>

SCHEDULE - X

SALES OF PRODUCTS AND OTHER INCOME :

Sales of Products, Erection Escalation & Drawings & Design Receipts	283966722.65	151767292.00
Sale of Film Tickets	19037212.50	0.00
Interest (Gross)	2328515.23	2393187.86
Claims	243313.00	413947.00
Machinery/Building & Other Rent Receipts	2072470.00	2050290.00
Miscellaneous Receipts	5641192.44	1784094.40
Transportation Receipts	9716963.00	13679502.35
Excess Provision Written Back	0.00	83790.00
Profit on Sale of Fixed Assets	0.00	2594562.00
	<u>323006378.82</u>	<u>174766665.61</u>

SCHEDULE - XI



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH, 2003

SCHEDULE - XII

PARTICULARS	YEAR ENDED ON	
	31-03-2003 Rs.	31-03-2002 Rs.
MATERIAL CONSUMED/TRADED :		
Opening Stock	1829752.00	23894104.00
Add : Purchase (including accessories & boughtout items, purchase of semi finished goods)	117869590.93	28036433.02
Sub Total :	119699342.93	51930537.02
Less : Closing Stock	10625630.00	1829752.00
Sub Total :	109073712.93	50100785.02
Add : Purchases of finished goods/parts including trading activities	949651.00	17520.00
Total :	110023363.93	50118305.02

SCHEDULE - XIII

INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS AND GOODS IN PROCESS :

OPENING STOCK :

a) Finished Goods	1877630.00	1811160.00
b) Work-in-Progress		
i) Work-in-Progress	25980553.42	4902540.52
ii) Work-in-Progress (Contract bills less retention amount) refer note no. (VI) (a) of Schedule XVIII.	54918621.00	54918621.00
c) Others	14948.00	0.00
	82791752.42	61632321.52

CLOSING STOCK :

a) Finished Goods	3322840.00	1877630.00
b) Work-in-Progress		
i) Work-in-Progress	13366578.00	25980553.42
ii) Work-in-Progress (Contract bills less retention amount) refer Note No. VI (A) of Schedule XVI	0.00	54918621.00
c) Others	8163.00	14948.00
	16697581.00	82791752.42
(Increase) / Decrease in Stock	66094171.42	(21159430.90)



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH, 2003

PARTICULARS	SCHEDULE - XIV	
	Y E A R 31-03-2003 Rs.	E N D E D O N 31-03-2002 Rs.
<u>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :</u>		
Salaries, Wages, Bonus, Allowances, Gratuity etc.	11940490.85	17077504.32
Contribution to PF, ESI Scheme	324094.95	233404.95
Employees Welfare Expenses including compensation	959883.41	1922065.50
	<u>13224469.21</u>	<u>19232974.77</u>

MANUFACTURING/OPERATING EXPENSES :

SCHEDULE - XV		
Power & Fuel	4943528.02	1935867.40
Stores, Spares & Tools Consumed	3013973.58	6082957.03
Job & Other Work Expenses (including drawings & design etc.)	20511504.75	31357176.12
Rent for Machinery, Vehicles & Factory Shed	1604707.00	2049441.00
Transportation Expenses	2752730.75	10097806.79
Loading & Unloading Expenses	175567.00	234956.00
Repairs & Maintenance.		
a) To Machinery	1163345.15	1853912.86
b) To Building	280463.00	248487.70
Insurance Expenses	1150311.00	79584.00
Tax Token	0.00	718164.00
Excise Duty Expenses	3540963.00	949945.00
Film Purchases	7880399.25	0.00
	<u>47017492.50</u>	<u>55608297.90</u>



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH, 2003

SCHEDULE - XIV

ON
3-2002
Rs.

7504.32

4404.95

065.50

974.77

SCHEDULE - XV

67.40

57.03

76.12

1.00

6.79

6.00

2.86

7.70

0.00

0.00

0.00

0.00

0.00

0.00

SCHEDULE - XVI

PARTICULARS	Y E A R E N D E D O N	
	31-03-2003 Rs.	31-03-2002 Rs.
ADMINISTRATIVE & SELLING EXPENSES :		
Remuneration to Directors	744000.00	348000.00
Rent, Rates & Taxes	1541235.35	1090015.00
Telephone, Telex & Postage	2317202.98	2683555.79
Travelling & Conveyance Expenses	5768719.08	5671778.26
Legal, Consultancy, Retainership Professional & Arbitration Expenses	2717341.00	3137297.00
General Repairs	413856.88	365489.50
Vehicle Running & Maintenance	3318545.06	3875211.70
Miscellaneous Expenses	3465354.00	2665190.58
Audit Fees	79200.00	62500.00
Charity & Donation	0.00	1000000.00
Advertisement	422468.00	204886.00
Tender & Sales Liaisoning Expenses	581410.00	557581.00
Public Issue Expenses Written off	453547.00	453547.00
Loss on Sale of Fixed Assets	2687243.00	0.00
Claims/Rebate	8572268.00	0.00
Total :	33082390.35	22115051.83

SCHEDULE - XVII

FINANCIAL EXPENSES :		
Bank Commission & Other Charges	4649511.43	2979044.58
INTEREST :		
a) Banks & Financial Institutions		
i) On Term Loan	94318.73	2271384.58
ii) To others including private parties	7935038.25	480719.00
	12678868.41	5731148.16



OM METALS & MINERALS LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2003
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE - XVIII

NOTES TO THE FINANCIAL STATEMENTS :

A. SIGNIFICANT ACCOUNTING POLICIES :

i) BASIS OF ACCOUNTING :

The Accounts of the Company are prepared under the historical cost convention and in accordance with the applicable Accounting Standards except where otherwise stated. Mercantile system of accounting is followed except claims of liquidated damages on supplies, warranty, fuel escalation charges of the Electricity Board which are accounted for on acceptance and other claims accounted for on receipt/payment basis. This is done in view of uncertainty involved.

ii) FIXED ASSETS AND DEPRECIATION :

- a) Fixed Assets (other than land & building, plant & machinery & vehicles which has been re-valued and stated at the revalued figures) are stated at cost net of cost less accumulated depreciation. The cost of acquisition/construction is inclusive of freight, duties, taxes and other incidental/preoperative expenses till the date of commencement of commercial production attributable to such fixed assets.
- b) The depreciation has been provided on straight line method at the rates and manner prescribed in Schedule XIV of the Companies Act, 1956 except on assets used in Engineering on which depreciation is provided on written down value method.
- c) Depreciation is not provided in respect of assets sold, discarded etc. during the year.
- d) Depreciation is calculated on pro-rate basis from the date of additions except on assets of Engineering Division which are depreciated for full year.
- e) No write off has been made in respect of leasehold land.

iii) EXPENDITURE DURING CONSTRUCTION PERIOD :

Expenditure incurred on projects during construction period is carried forward and is allocated to fixed assets on the commencement of commercial production of that unit/ division.

iv) INVENTORIES :

- a) Raw Material, Stores & Spares and Components : At Cost
- b) Process Stocks : Direct cost i.e. raw material, labour cost and other appropriate share of overheads etc. on estimated basis of job done.
- c) Finished Goods : At contracted rates/selling price (Fabricated goods)
- d) Others : At cost or net realisable value, whichever is lower.

v) FOREIGN CURRENCY TRANSACTION :

Liabilities in foreign currency as well as receivable in foreign currency have been restated into Indian Rupee at the rate of exchange prevailing as on the date of the Balance Sheet and / or rate as per the forward exchange contracts where ever entered. The resultant exchange difference is adjusted in Profit & Loss Account except those related to acquisition of fixed assets which is adjusted in the cost of such assets.

vi) TURNOVER OF FABRICATED GOODS :

Engineering Division :

- a) In respect of contracts where full payment is not received on supplies of fabricated goods, sales/receipt are accounted for in the year of completion of contract, till then the supplies of fabricated goods is treated as work in progress. Such work in process is valued at contracted price less retention amount. However, in contracts, where full payments is received after adjustment of security deposit, the sales is treated on the basis of approved running bills.
- b) Escalation and erection receipts is accounted for on the basis of bills acknowledged and paid by the project authorities.

vii) REVENUE RECOGNITION :

Sales are inclusive of Excise Duty and excluding Sales Tax. It is being accounted for net of returns/discount and claims.



OM METALS & MINERALS LTD.

(ii) INVESTMENTS :

Long Term Investments are carried at cost less provisions, for permanent diminution in value of such investments, where as current investments are carried at lower of cost or fair value.

(iii) MISCELLANEOUS EXPENDITURE : (To the extent not written off or adjusted) Miscellaneous expenditure such as public issue expenditure are amortised over a period of 10 years.

(iv) RESEARCH & DEVELOPMENT :

Research & development expenditure (other than cost of fixed assets acquired) are charged as expenses in the year in which they are incurred.

(v) TAXES ON INCOME :

a) Current Tax :

Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred Tax Liabilities (Assets) :

Deferred tax is recognised subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR :

		(Rs. In Lacs)	
		AS AT	AS AT
		31-3-2003	31-3-2002
i)	In respect of letter of credit & guarantees issued by Banks for which company has given counter guarantee.	1203.24	3104.00
ii)	Claims against the Company not acknowledged as debt (excluding labour and other cases where amount is not ascertainable) including counter claims of Project Authorities.	66.32	124.05
iii)	Capital Commitments.	43.37	0.00
iv)	Demand (Net after deposit) for Income Tax. Sales Tax & Excise Duty not acknowledged as debt for which the company has preferred appeal/ revision/rectification/stayed and suitably replied before the appropriate authority.	148.24	64.28
2.	Claims raised by the company with various project authorities/others amounting to Rs.2028.59 lacs (Rs. 2200.38 lacs in previous year), against these claims. The company has received arbitration awards of Rs.612.10 lacs (Previous year Rs.542.33 lacs). In accordance with past practice, the company has not made any adjustment because the same can not become rule of the court due to the objections filed by Project Authorities/Others.		
3.	Partly Paid up equity share converted into fully paid up share as per the scheme of agreement approved by Hon'ble Rajasthan High Court, Jaipur. Thus calls in arrears and allotment money arrears reduced and excess amount of Rs.7.82 lacs is refundable to share holders as at 31.03.2003.		
4.	In the Opinion of Board of Directors, provisions of all known liabilities have been made current assets and advances. have been taken at a value which is realisable in the ordinary course of business.		
5.	The Debit and Credit balance appearing in the Balance Sheet are subject to confirmation.		
6.	Payment to auditors including Branch Auditors :		

		(Rs. In Lacs)	
		AS AT	AS AT
		31-3-2003	31-3-2002
	Audit Fees	0.90*	0.63
	Other Services	0.08	1.18
	Out of Pocket Expenses	0.00	0.00
		<u>0.98</u>	<u>1.81</u>

* Rs. 0.10 Lacs capitalised. (Previous yr 0.183 lacs)



OM METALS & MINERALS LTD.

7. Remuneration to Directors :

(Rs. In Lacs)

	AS AT 31-3-2003	AS AT 31-3-2002
a) Managerial Remuneration		
U/s. 198 of the Companies Act. 1956		
i) Salaries & Allowance	7.44	6.96
ii) Perks and benefits	1.08	2.40
iii) Consultancy to Chairman	1.86	1.40
	<u>10.38</u>	<u>10.76</u>
b) No Commission was paid to the Directors		

8. Sundry Creditors includes Rs. 1.24 lacs (Previous year Rs. 1.34 lacs) belongs to small scale and ancillary undertaking to the extent such parties have been identified from available information, which is covered under the "Interest on delay and payments to Small Scale and Ancillary Industrial Undertaking Act 1993". The Company has not received any claim for interest from any suppliers under the said Act.

The names of Small Scale Industrial Undertaking & to whom the Company owes more than Rupees One Lac outstanding for more than 30 days as at 31.03.2003 are :-

Nil

9. Earning Per Shares (E.P.S.)

	AS AT 31-3-2003	AS AT 31-3-2002
a) Calculation of weighted average number of equity shares of Rs. 10 each.		
No. of Shares at the beginning of the year 6786300 × 10/- per share		67863000
No. of share (as per the order of Hon'ble Raj. Hight Court) 5619115 × 10/- per share	56191150	
Less : Calls in arrears	-	11391000
	<u>56191150</u>	<u>56472000</u>
Weighted average Nos. of Equity share outstanding during the year	5619115	5647200
b) Net Profit after Tax available for equity shareholders (Rs./Lacs.)	32865645	32264869
c) Basic and Diluted Earning Per Share (Rs.)	5.85	5.71

10. Segment Reporting Policies :

Identification of Segment :

a) Primary Segment : Business Segment

The Company's operating business are organised and managed separately according to the nature of products and services provided.

The main segment is turn-key contracts of Gates, Cranes, Hoist for Irrigation & Power Projects in the Engineering Division. The other segments includes Cinema (Entertainment) in Multiplex Division and Hotel cum Revolving Restaurant. (under construction)

b) Segment Revenue & Expenses :

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

c) Segment Assets and Liabilities :

Segment assets includes all operating assets used by a segment and consist principally of operating cash debtors, inventories and fixed assets net of allowance and provisions which are reported as direct offsets in the balance sheet. Segment liabilities includes all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income tax while most of the assets/liabilities can be directly attributed to individual segments. The carrying amount of certain assets/liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

d) Information about business segments.



OM METALS & MINERALS LTD.

(Rs. in Lacs)

Particulars	Engineering Division		Training Division		Multiplex Division		Hotel & Restaurant Division		Other		Total	
	Current year	Previous year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	
Segment Revenue :												
External Sales/Income	2987.37	1576.06	146.84	219.40	0.83	0.00	0.00	0.00	0.00	3206.77	1723.73	
Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Revenue	2987.37	1576.06	146.84	219.40	0.83	0.00	0.00	0.00	0.00	3206.77	1723.73	
Segment Results :												
Unallocated Expenses (Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Operating Profit	348.66	334.02	57.70	58.57	0.22	0.00	0.00	0.00	0.00	407.23	391.94	
Financial Expenses	110.04	55.57	1.74	16.75	0.00	0.00	0.00	0.00	0.00	126.79	57.31	
Interest Income	23.29	23.12	0.81	0.00	0.00	0.00	0.00	0.00	0.00	23.29	23.93	
Income Tax (Current)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	35.92	
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.90	132.37	
Liabilities / Assets												
Net Profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	328.66	190.27	
Information :												
Segment Assets	2195.80	2576.20	20.57	447.66	432.18	1134.68	795.44	0.00	0.00	3778.14	3824.39	
Inter Branches	855.45	961.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	855.45	961.62	
Unallocated Assets (Deferred Assets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Assets	3051.25	3538.12	20.57	447.66	432.18	1134.68	795.44	0.00	0.00	4633.59	4786.01	
Segment Liabilities :												
Share Capital	561.91	564.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	561.91	564.72	
Reserves & Surplus	1582.39	1213.60	161.88	42.03	0.22	0.00	0.00	24.90	(35.92)	1649.32	1339.78	
Secured and Unsecured Loans	362.99	441.81	0.00	263.37	0.00	326.91	47.00	0.00	0.00	953.27	488.81	
Segment Liabilities	389.67	1165.62	6.31	15.03	0.74	79.54	70.14	0.00	0.00	484.25	1242.81	
Unallocated Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	35.92	25.00	35.92	
Deferred Tax	154.29	152.37	0.00	0.00	0.00	0.00	0.00	(49.90)	1.92	104.39	152.36	
Total Liabilities	3051.25	3538.12	168.19	320.43	0.96	406.45	117.14	0.00	1.92	3778.14	3824.40	
Capital Expenditure	79.55	571.71	0.00	8.86	425.71	311.24	739.22	0.00	0.00	399.65	1736.64	
Depreciation	77.60	76.00	1.05	32.39	0.26	0.00	0.00	0.00	0.00	109.99	77.31	
Amortisation	4.54	4.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.54	4.54	
Non Cash Expenses Other than Depreciation	16.70	15.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.7	15.37	



OM METALS & MINERALS LTD.

11. Related Party Disclosures :

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties & transactions with them are disclosed below :

List of related parties with whom transactions have taken place during the year alongwith the nature and volume of transactions.

a) Associates, subsidiaries and joint venture enterprises over which key management personnel is able to exercise significant influence.

Name of the Party/Company

1. Om Structurals India (P) Ltd.
2. Om Rajasthan Carbide Ltd.
3. Jupiter Metals (P) Ltd.
4. Jupiter Manufacturing Co. (P) Ltd.
5. Om Kothari Cement & Chemicals (P) Ltd.
6. Om Kothari Steel & Alloys Ltd.
7. Om Kothari Enterprises Ltd. (Subsidiary Company)
8. Richa Builders (P) Ltd.
9. SAH Buildcon (P) Ltd.

Nature of Transaction :

	(Rs. in Lacs)	
	AS ON 31-3-2003	AS ON 31-2-2002
Purchases of Finished & Other Goods.	55.37	0.73
Purchases/Advance of Fixed Assets	20.42	495.52
Sales of Fixed Assets	0.00	0.00
Service / Expenses	104.40	199.58
Other Income	11.40	39.27
Security Deposits	5.00	41.00
Loans / Deposits outstanding	36.60	10.27
Guarantee Given	0.00	200.00
Investment Made	17.50	126.55
Outstanding balance at the year end		
i) Loans & Advances	35.60	0.00
ii) Receivable (Debtors)	4.31	29.40
iii) Payable (Creditors)	8.01	28.27
iv) Advance Taken	38.94	0.00
v) Security deposit for premises	5.00	41.00

b) Key Management Personnel and their relatives & H.U.F.

- Shri T. C. Kothari
 Shri C. P. Kothari
 Shri D. P. Kothari
 Shri Vishal Maheshwari
 Shri P. C. Jain
 C. P. Kothari & Sons
 D. P. Kothari & Sons
 Om Kothari Pariwarik Trust
 Sunil Kothari & Sons
 Kuldeep Kothari & Sons
 Vivek Trust

Nature of Transactions : Previous Year	(Rs. in Lacs)	
	AS ON 31-3-2003	AS ON 31-3-2002
Remuneration to Directors & Chairman	9.30	8.36
Other Perks	1.08	2.40
Hire of Premises		
- Rent Paid	6.92	7.02
- Security Deposit given	0.00	0.00
- Vehicle Rent	3.90	3.90
- Salaries	0.00	1.32

OM METALS & MINERALS LTD.

Balance outstanding as at the year end		
Loans & Advances	0.00	0.00
Security Deposit for Premises hired	84.00	94.00

Compliance of Accounting Standard (AS 2) :

The company could not comply with the provisions of AS 2 issued by Institute of Chartered Accountants of India regarding valuation of closing stock of finished goods as it fabricates various types of components/structures. Hence it is not practicable to work out cost of each components/structures. Since cost can not be worked out the difference between the valuation of stock as per AS 2 and as adopted by the company could not be given.

Additional information pursuant to the provision of paragraph 3 & 4 Part II of Schedule VI to the Companies Act, 1956 are given in Annexure No. 1.

- i) Particulars in respect of licenced and installed capacity.
- ii) Particulars in respect of Opening Stock, Goods Manufactured, Purchases, Sales, Closing Stocks and Trading Activities.
- iii) Particulars in respect of consumption of raw material, accessories and bought out items.
- iv) Other additional information.

	(Rs. in Lacs)	
	Current Year	Previous Year
<u>C.I.F. VALUE OF IMPORTS :</u>		
Raw Material	41.93	0.00
Capital Goods	0.00	17.47
<u>EXPENDITURE IN FOREIGN CURRENCY :</u>		
Capital	Nil	Nil
Other	Nil	Nil
Income in foreign Currency	Nil	Nil
<u>VALUE OF RAW MATERIAL & STORES AND COMPONENTS CONSUMED :</u>		
a) Raw Material :		
Imported	41.93	0.00
Indigenous	1058.30	501.18
b) Stores & Spares & Components :		
Imported	0.00	0.00
Indigenous	30.14	60.83

Particulars in respect of Consumption of Raw Material Accessories and about out items for the year as on 31st March, 2003

S.No.	Particulars	2002-2003		2001-2002		
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	
1.	Structural Steel	MT	2685.847	56266426.00	818.337 MT	.....
		Nos	211		9319.740 Mtrs.	38042070.02
		.....	.....		1523 Nos	.....
2.	Stainless Steel	MT	91.396	5902170.00	36.221 MT	3398420.00
3.	Casting	MT	50.552	1625335.00	5.485 MT	215745.00
		Nos	144			
4.	Civil Construction Material	.....	.....		2035220.00	
5.	Accessories & bought out	.....	45264833.93		6409330.00	
6.	Food & Bever Purchased	.....	964599.00		17520.00	
	Total		110023363.93		50118305.02	



OM METALS & MINERALS LTD.

Annexure to Notes No. 18 Schedule No. XVIII for the year ended on 31st March, 2003

Particulars in respect of Licenced and installed capacity

- a) Licenced Capacity 1) Engineering Division
- b) Installed Capacity 1) Engineering Division
- c) As certified by a Director of the Company

CURRENT YEAR

N.A.

5000 M.T. Annum

PREVIOUS YEAR

N.A.

5000 M.T. Annum

d) Opening stock, Production, Purchases, Sales & Closing Stock.

S.No.	Particulars	OPENING STOCK				PRODUCTION		PURCHASE			
		Current Year		Previous Year		Current	Previous	Current Year		Previous Year	
		Qty.	Amount	Qty.	Amount	Yr. Qty.	Yr. Qty.	Qty.	Amount	Qty.	Amount
1.	Dam Gates, Hoist Other fabricated goods	45.391	1675830.00	45.391	1675830.00	3287.948	155.158	0	0	0	0
						469	62	0	0	0	0
						6100	.....	0	0	0	0
						27.90	.....)	0	0	0	0
2.	Scrap	26.835	201800.00	20.82	135330.00	.....	0.00	0	0	0	0
	Total		1877630.00		1811160.00			0	0.00	0.00	0.00

Annexure to Notes No. 18 Schedule No. XVIII for the year ended on 31st March, 2003

S.No.	Particulars	SALES				CLOSING STOCK			
		CURRENT YEAR		PREVIOUS YEAR		CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
1.	Dam Gates, Hoist and other fabricated goods	3265.018MT 469 Set 6100 Nos. 27.90 MT	226076819.25	62) 155.158	62326933.00	68.32 MT	2821830.00	45.391	1675830.00
2.	Scrap	0.00	1199883.00	0	1069360.00	00	501010.00	26.835	201800.00
3.	Escalation, Erection and other receipts	0.00	56690020.40	-----	85688300.00	00	0.00	0	0.00
4.	Civil Work receipts	0.00	0.00	-----	2600000.00	00	0.00	0	0.00
5.	Ticket Sales Cinema	0	19037212.50	-----	79025.00	00	0.00	0	0.00
6.	Foods & Breaveries	0	1861591.00		3674.00	00	0.00	0	0.00
	Total		304865526.15		151767292.00		3322840.00	72.226	1877630.00



OM METALS & MINERALS LTD.

Figures for Previous year have been rearranged/regrouped wherever necessary to make them comparable. Schedule I to XVIII and the statement of additional informations form an integral part of the Balance Sheet & Profit & Loss Account and have been duly authenticated.

FOR IDENTIFICATION

M.C. BHANDARI & CO.

Chartered Accountants

Sd/-

(K. K. MAHIPAL)

Partner

Place : KOTA

Dated : 30-06-2003

For OM METALS & MINERALS LIMITED

Sd/-

(T. C. KOTHARI)

Chairman

Sd/-

(C. P. KOTHARI)

Managing Director

Sd/-

(D. P. KOTHARI)

Director

0.00	0	0.00
3322840.00	72.226	1877630.00
151767292.00		
0040000026.15		



OM METALS & MINERALS LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S CURRENT BUSINESS PROFILE

i)	REGISTRATION DETAIL :	
	Registration No.	17-3414
	Balance Sheet Date	State Code 17
ii)	CAPITAL RAISED/ REDUCED :	31st March, 2003
	Public Issue	(Amount in Rs.000)
	(Share capital reduced in terms of the scheme of arrangement as per order of Hon'ble Rajasthan High Court dt. 9-8-2002, Partly Paidup Shares are Converted into fully paid up Shares.)	(11672)
	Rights Issue	
	Bonus Issue	Nil
	Private Placement	Nil
	(Promoter's Contribution)	Nil
iii)	POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS :	
	Total Liabilities	377814
	Total Assets	377814
	SOURCES OF FUNDS	
	Paid up Capital	56191
	Reserves & Surplus	164932
	Secured Loans	59591
	Unsecured Loans	35737
	Deferred Tax Liabilities	10439
	APPLICATION OF FUNDS	
	Net Fixed Assets including work-in-progress	231869
	Investments	14584
	Net Current Assets	79749
	Miscellaneous Expenditure	689
iv)	PERFORMANCE OF THE COMPANY	
	Turnover	323006
	Total Expenditure	292630
	Profit Before Taxes	30376
	Profit After Taxes	32866
	Earning Per Share	5.85
	Dividend Rate	Nil
v)	GENERAL NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY	
	(As per monetary terms)	
	Item Code	Not Available
	(ITC Code)	
	Products/Services	
	Description :	
		i) Fabrication and Erection of Dam Gates/Hoists/Cranes of Irrigation & Power Projects.
		ii) Conversion of H.R. Coil to C.R. Sheet
		iii) Entertainment

For OM METALS & MINERALS LTD.

Sd/-
(T.C. KOTHARI)
Chairman

Sd/-
(C. P. KOTHARI)
Managing Director

Sd/-
(D. P. KOTHARI)
Director

OM METALS & MINERALS LTD.

CASH FLOW STATEMENT

PARTICULARS	Y E A R E N D E D O N	
	31-03-2003	31-03-2002
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extra ordinary items	30375775.93	35856769.12
Bank commission chgs paid	12678868.41	5731148.16
Association	10509847.07	7263549.71
(Gain)/ loss on sale of fixed assets	2687243.00	(2594562.00)
Colleneous Exp w/off	453547.00	453547.00
Interest receipt	(2328515.23)	(2393187.86)
Sub-Total	54376766.18	44317264.13
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustments for:		
Trade & other recievables	(3535428.83)	11300527.18
Inventories	2764924.42	723198.20
Trade Payable	5242146.48	201783.39
Loans & Advances	(2207477.76)	(9057946.37)
Other payable	(76958369.21)	12564332.76
Cash generated from operations	(20317438.72)	60049159.29
Interest paid	(12678868.41)	(5731148.16)
Direct Taxes paid	(2965506.00)	(5715716.00)
Cash generated from operating activities	(35961813.13)	48602295.13
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(10139773.24)	(40795916.58)
Increase in capital WIP/Advances	(34031632.08)	(72040897.87)
Public issue exp	-----	-----
(Purchase)/Sales of investment	(1761000.00)	30573597.17
Sales of fixed assets	3627328.76	12241609.07
Intt received	2328515.23	2393187.86
Subsidy received	(7785.00)	-----
Net cash used in investing activities	(39984346.33)	(67628420.35)
CASH FLOW FROM FINANCING ACTIVITIES		
Working capital from banks	(16286027.66)	(345681.29)
Deferred payments/unsecured loans	3265544.53	(393600.00)
Proceeds from issue of share capital	(280850.00)	-----
Proceeds from long term borrowings	30078414.51	4251452.83
Proceeds from share premium	(1136650.00)	2642.00
Net cash used in financing activities	5045785.05	(64113606.81)
Net cash used in cash & cash equivalents	(30916028.08)	(15511311.68)
Net increase in cash & cash equivalents	(30916028.08)	(15511311.68)
Cash & cash equivalents as at 1.4.03	48530750.01	64042061.69
Cash & cash equivalents as at 31.3.03	17614721.93	48530750.01

Certified that above cash flow statement of OMML is accordance with the book of accounts & also according to the requirements of clause 32 of the listing agreement.

For M.C. BHANDARI & CO.
Chartered Accountants

For OM METALS & MINERALS LIMITED

Sd/-
(S. K. MAHIPAL)
Partner

Sd/-
(T. C. KOTHARI)
Chairman

Sd/-
(C. P. KOTHARI)
Managing Director

Place : KOTA
Dated : 30-06-2003

Sd/-
(D. P. KOTHARI)
Director

REGISTERED & HEAD OFFICE :

Kothari Bhawan, 30-31, Udyog Marg, Kota-324007 (Raj.) India
Tel.: 91-744-2425107, 2364101. Fax : 91-744-2438069, 2451 407
E-mail: ommlkota@rediffmail.com

CORPORATE OFFICE :

Kothari Bhawan, 16/121-122, Faiz Road, Karol Bagh, New Delhi-110 005. India
Tel. : 91-11-51545590 (5 Lines) Fax : 91-11-23555859
E-mail : kotharies@vsnl.com

Om Tower, M.I. Road, Jaipur - 302001, Rajasthan, India
Tel.: 91-141-2371608-09-14. Fax : 91-1412371610