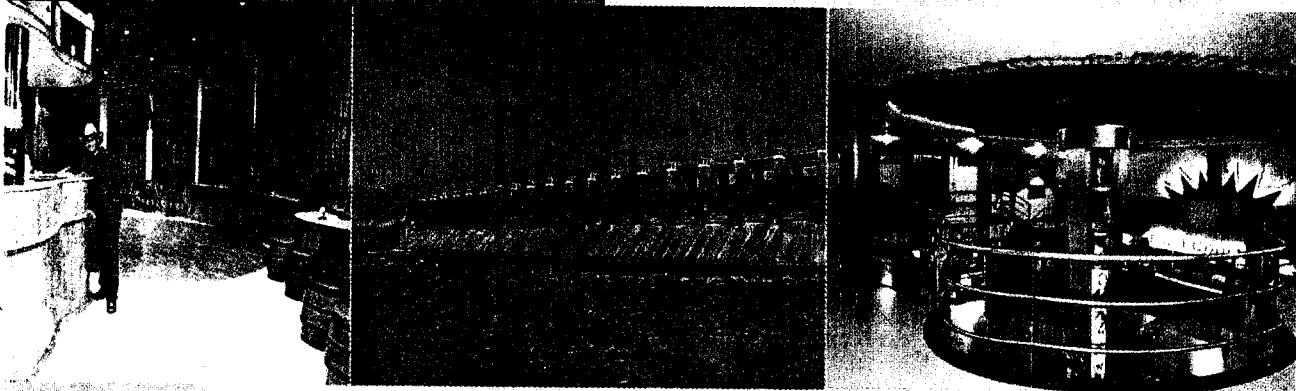


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Annual Report  
2003-2004



**OM METALS & MINERALS LTD.**

**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)

Shri Kamal Chandwar  
(Director)

**Auditors**

M/s. M. C. Bhandari & Co.  
Chartered Accountants  
Kota

M/s. Milind Vijayvargiya & Associates  
Chartered Accountants  
Kota

M/s. J. N. Khandelwal & Co.  
Chartered Accountants  
Kota

M/s. B. Khosla & Co.  
Chartered Accountants  
Jaipur

**Bankers**

State Bank of Bikaner & Jaipur  
Industrial Estate, Kota - 324 007

State Bank of Patiala  
Janpath, New Delhi

Bank of Baroda  
Jahlawar Road, Kota - 324 007

IDBI Bank  
C. Scheme, Jaipur

**Registered office**

Kothari Bhawan  
30-31, New Grain Mandi, Kota  
Pin - 324 007 (Raj.)  
Tele : (0744)-2364698, 2364101  
Fax : (0744)-2438069

**Corporate Office**

Kothari Bhawan  
16/121-122, Faiz Road, Karol Bagh  
New Delhi - 110005  
Ph.: (011) 51545590-94 (5 line)  
Fax : (011) 23555859

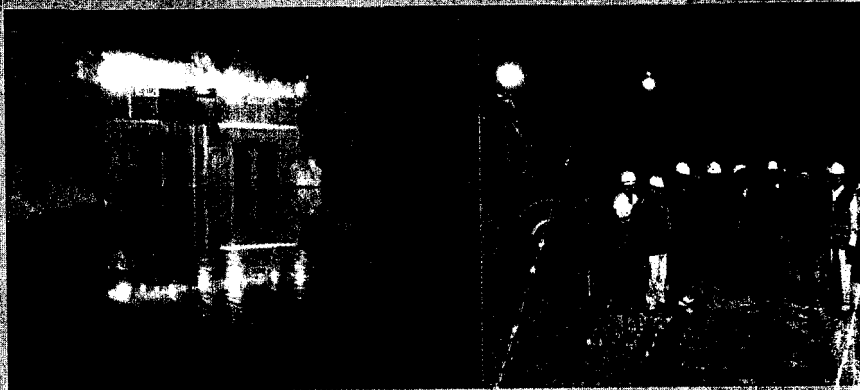
**Listing on Stock Exchange**

Equity Shares of the Company are listed on  
following Stock Exchange :

**The Stock Exchange, Mumbai**

Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai - 400 001

Website : [www.ommetals.com](http://www.ommetals.com)  
E-mail : [kotharies@vsnl.com](mailto:kotharies@vsnl.com)



**OM METALS & MINERALS LTD.**

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## OM METALS & MINERALS LIMITED

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

### NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Om Metals & Minerals Limited will be held on Saturday, 25<sup>th</sup> September, 2004 at 11.00 A.M at B-117-118, Indraprastha Area, Kota, Rajasthan to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March 2004 and the Profit & loss Account for the year ended on 31<sup>st</sup> March 2004 together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. P.C Jain, who retires from office by rotation and being eligible, offers himself for re-election.
3. To confirm Interim Dividend paid during the Year 2003-04.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**" RESOLVED** That M/s M.C. Bhandari & Co., Chartered Accountants, retiring auditors of the Company, be and is hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of traveling and other out of pocket expenses.

**RESOLVED** further that M/s Milind Vijayvargiya & Associates, Chartered Accountants, M/s B. Khosla & Co., Chartered Accountants and M/s J.N Khandelwal & Co., Chartered Accountants be and are hereby re-appointed as Branch Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of traveling and other out of pocket expenses."

#### Special Business:

5. To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:  
**" RESOLVED** That in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Kamal Chandwar, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of the ensuing

Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation under Articles of Association of the Company."

6. To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution:

**" RESOLVED** that in pursuance of Section 21 and other applicable provisions of the Companies Act, 1956, the consent be and is hereby accorded to change the name of the Company from "Om Metals & Minerals Limited." to " Om Metals & Infrastructures Limited " and immediately upon the said change in the name of the Company becoming complete and effective, the new name be substituted for the existing name wherever it appears in the Memorandum and Articles of Association of the Company.

**RESOLVED** further that Mr. T.C. Kothari, Chairman, and Mr. C.P. Kothari, Managing Director be and are hereby severally authorised to make necessary applications to Registrar of Companies, Jaipur and other appropriate authorities and to do all such acts and deeds, as may be required to give effect to the above resolution"

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

**" RESOLVED** that in suppression of the resolution passed by the company under Section 293(1)(d) of the Companies Act, 1956 in the 30<sup>th</sup> Annual General Meeting of the members held on 30<sup>th</sup> September 2002, thereby limiting the borrowing powers of the Board of Directors of the Company upto Rs. 100 Crores( Rupees Hundred Crores), the Board of Directors of the Company be and is hereby authorized to borrow, for the purpose of the business of the Company, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies borrowed and the monies to be borrowed from time to time( apart from temporary loans obtained in ordinary course of business from banks, whether in India or outside India) will exceed the aggregate of the paid up capital of the Company and its free reserves( i.e. to say reserves not set apart for any specific purposes), provided that the total outstanding amount of such borrowings shall not exceed Rs. 200 Crores(Rupees Two Hundred Crores) over and above the aggregate of the paid up capital of the Company and its free reserves at any time."

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

**"RESOLVED** that pursuant to the provisions of the Section 293(1)(a) and all other applicable provisions of, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/ or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the whole or substantially the whole of the Company's any one or more of the undertakings or all the undertakings, including the present and/or future properties, whether movable or immovable, tangible or intangible comprised in any existing or new undertaking or undertakings of the Company as the case may be in favour of Lenders and Agents for securing the long term, short term and medium term borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and/or rupee currency) subject to the limits approved/as may be approved by the members under Section 293(1)(d) as also the interest on principal amount, commitment charges, premia on prepayment and all other costs, charges, expenses and monies payable by the Company in terms of loan agreement entered into/ to be entered into between the Company and the lender(s)/ agent(s)

**RESOLVED** further that the securities to be created by the Company as aforesaid may rank prior/ pari passu with/ to the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of Directors of the Company or its committee.

**RESOLVED** further that the Board of Directors or its committee or persons authorized by the Board, be and is / are hereby authorized to finalize, settle and execute any and all agreements, documents, deeds, matters and things as it/ they may in its/ their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interests of the Company."

9. To consider and if thought-fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**" RESOLVED** that pursuant to the provisions of the Section 293(1)(a) and all other applicable provisions of, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to tie up for the development agreement with any established builder/ developer for setting up a residential colony on land of the Company on such terms and conditions as the Board of Directors of the Company deem fit and proper in the best interest of the Company and subsequently sell the independent apartment/ flats built on this property as a part of residential colony to the prospective buyers.

**RESOLVED** further that the Board of Directors or its committee or persons authorized by the Board, be and is / are hereby authorized to finalize, settle and execute any and all agreements, documents, deeds matters and things as it/ they may in its/ their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interests of the Company"

Date: 31.08.2004  
Place: Kota

By order of the Board

Regd. Office:  
30-31, New grain Mandi  
Udyog Marg, Kota, Rajasthan

(Dr. T. C. Kothari)  
Chairman

#### NOTES FOR MEMBERS' ATTENTION:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**  
**IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING**
- 2) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item no. 4 to 9 of the Notice as set out above and relevant details in respect of item no. 2 and 5 pursuant to Clause 49 of the Listing Agreement, is annexed hereto.
- 3) Members/Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
- 4) Shareholders are requested to bring their copy of Annual Report to the Meeting.
- 5) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio no. in Attendance Slip for attending the Meeting.
- 7) All documents referred to in the accompanying notice and Explanatory Statement shall be open for public inspection at the Registered Office of the Company on all working days between 11.00a.m to 1.00 p.m, prior to the date of Annual General Meeting.
- 8) Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO.4**

The members are aware that the Company has three divisions namely Engineering Division, Multiplex Division at Kota and Hotel Division at Jaipur. Engineering division includes various project sites in the state of Maharashtra, Andhra Pradesh, Nagaland, Arunachal Pradesh and Himachal Pradesh, besides branch office in Delhi. The multiple project sites and Hotel Division have substantially increased the activities and operations of the Company. Keeping in the foregoing, it is proposed to appoint M/s Milind Vijayvargiya & Associates, Chartered Accountants as the Branch Auditor to conduct audit of Engineering Division and M/s J.N Khandelwal & Co., Chartered Accountants as branch Auditor to conduct audit of Multiplex Division and M/s B. Khosla & Co., Chartered Accountants as Branch auditor to conduct the audit of Hotel Division, along with the appointment of statutory auditor M/s M.C. Bhandari & Co., Chartered Accountants, who will conduct the Statutory Audit. All four auditors shall hold office from the conclusion of the ensuing Annual General meeting until the conclusion of the next annual General Meeting subject to requisite approval being obtained from the shareholders at the ensuing Annual General meeting.

The Directors commend the resolution for members' approval.

None of the directors of the Company is, in any way, concerned or interested in this resolution.

**ITEM NO. 5**

The Board of Directors of the Company in its meeting held on 10.03.2004 appointed Shri Kamal Chandwar as Additional Director of the Company. Shri Kamal Chandwar holds office as Additional Director up to the date of the ensuing Annual General Meeting. The Company has received a Notice, under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Kamal Chandwar for the office of Director of the Company.

Keeping in view his vast experience and knowledge in Finance related matters; the Directors commend the resolution for members' approval.

Save and except Shri Kamal Chandwar, none of the other Directors of the company is, in anyway, concerned or interested in this resolution.

**ITEM NO. 6**

The mineral activity of the company is discontinued since long and the company has diversified in the infrastructure sector and is planning to expand in this sector in a massive way. The existing name of the company misrepresents the activities and area of business of the company. The Board of Directors

- 9) In terms of Section 109A of the Companies Act, 1956 nomination facility is available to individual shareholders. The Shareholders who are desirous of availing this facility may kindly write to Company's Registrars and Share Transfer Agents at the address mentioned below for nomination form quoting their Folio Number.
- 10) Members desirous of getting any information about the accounts of the Company are requested to send their queries at the Registered office of the Company at least 10 days prior to the date of the Meeting so that the requisite information can be readily made available at the meeting.
- 11) All members who have either not received or have not yet encashed their dividend warrant(s) till financial year 2003-04 are requested to write to the Company for obtaining the duplicate dividend warrant without any delay.
- 12) Members are requested to furnish their Bank Account Details, change of address etc. to the company's registrars and share transfer Agents mentioned below, in respect of shares held in physical form and to their respective Depository Participants, if the shares are held in electronic form.
- 13) Register of Members and share transfer books of the Company will remain closed from 23.09.2004 to 25.09.2004 (both days inclusive)

**REGISTRAR & SHARE TRANSFER AGENTS:**

M/s Skyline Financial Services Pvt. Ltd.  
123, Vinoba Puri, Lajpat Nagar  
New Delhi-110024  
Tel: 011-26833777  
Fax: 011-26918352  
E-mail: skyline\_fspl@rediffmail.com

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proposes to change the name of Company to " Om Metals & Infrastructures Limited ".

The Board of Directors in its meeting held on 7<sup>th</sup> January 2004 passed a resolution to approach Registrar of Companies, Jaipur (Rajasthan) for availability of names. Registrar of Companies, Jaipur confirmed the availability of name vide its letter dated 29<sup>th</sup> march 2004.

The Directors commend the resolution for members' approval.

None of the directors of the Company is, in any way, concerned or interested in this resolution

#### ITEM NO. 7

Section 293(1)(d) of the Companies Act, 1956 restricts the borrowing powers of the Board of Directors. It provides that the Directors shall not, except with the consent of the Company in general meeting borrow monies, when monies to be borrowed together with the monies already borrowed by the Company ( apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves i.e reserves not set apart for any specific purpose.

In pursuance of the aforesaid provisions of Section 293(1)(d) of the Companies Act, 1956, the Company had a resolution passed at the Annual General Meeting held on 30<sup>th</sup> September 2002 empowered the Board of Directors of the Company to borrow any sum or sums of the money not exceeding Rs. 100 Crores( Rs. one hundred crores). In view of the upcoming big amount tenders like Kameng worth Rs. 250 for Hydro mechanical works, company may need enhancement of working capital limits(fund & non-fund based) and further term loans to execute the projects. In view of the increase in Company's business, it is necessary that a higher ceiling for borrowing be laid down by the members to enable the Board of Directors to augment the funds as when required for the purpose of the business.

It is therefore proposed to increase the borrowing powers of the Board of Directors to a sum not exceeding Rs. 200 Crores(Rupees Two hundred crores) over and above the aggregate of the paid up capital of the Company and its free reserves at any time. This is apart from temporary loans obtained from the banks.

The Directors commend the resolution for members' approval.

None of the directors of the Company is, in any way, concerned or interested in this resolution

#### ITEM NO. 8

In order to meet the requirements of funds for financing of capital expenditure/ working capital requirements and/ or general corporate purposes, the Company has to raise funds from time to time from Banks / Financial Institutions etc. by way of loans which are normally secured

by a mortgage/ charge over the immovable/ movable properties of one or more units of the Company in such form and manner as may be determined by the Board of Directors of the Company or its Committee from time to time, in consultation with lenders/ agents. The resolution sets out all the details and is self-explanatory.

The Directors commend the resolution for members' approval.

None of the directors of the Company is, in any way, concerned or interested in this resolution

#### ITEM NO. 9

The Company has decided to build up a residential colony on land situated at Kota, in collaboration with renowned builder and the Company is entering into a development agreement to execute the project and sale the independent apartment/ flats to the prospective buyers.

It is in view of the provisions of Section 293(1)(a) of the Companies Act, 1956 that the resolution as set out in this item of notice is commended for members' approval.

None of the directors of the Company is, in any way, concerned or interested in this resolution.

For and on behalf of the Board

Regd. Office:

30-31, New grain Mandi  
Udyog Marg, Kota  
Rajasthan

(Dr. T. C. Kothari)  
Chairman

**Details of Directors seeking appointment / re-appointment in the ensuing Annual General Meeting to be held on 25 September 2004**

Name	Shri P. C. Jain	Shri kamal Chandwar
Date of Birth	10.10.1946	06.08.1953
Appointed on	15.07.2001	10.03.2004
Qualifications	B.E	Graduate
Expertise in specific functional areas	Technical & Engineering	Finance & Liasoing
Directorships held in other public companies	-	-
Memberships/ chairmanships of committees across Public Companies	-	-



**DIRECTORS REPORT**

**Dear Shareholders**

The Directors have great pleasure in presenting the annual report and audited accounts of the company for the year-ended 31.03.2004.

**FINANCIAL RESULTS :**

	2003-2004	(Rs. in Lacs) 2002-2003
a) Turnover & Other Income	3189.27	3230.06
b) Revenue Expenditure excluding Interest	2477.24	2694.41
c) Operating Profit (Before Dep. Interest & Tax)	711.93	535.64
d) Depreciation & Interest	281.02	231.88
e) Net Profit before Tax	430.91	303.76
f) Provision for Tax	28.20	25.00
g) (Provision for deferred tax)/deferred tax assets	6.30	49.90
h) Profit during the year	409.01	328.66

**OPERATIONS**

**i) ENGINEERING DIVISION :**

Your company is always alive to capture competitive contracts of gate structures in all 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 qualified for the work contract of Kameng Hydro Electric Project of Rs. 250 Crore -the biggest ever single contract of this much volume in the history of the Company. Your Company expects the letter of intent for SEWA and KAMENG shortly.

During the year under review the Income from operations remained at more or less same level but very significantly profits registered a growth of 25 %. During the year your Company has been successful in achieving the assignment for completing the Lurgi HEP under the compressed schedule. The HPSEB has approved an incentive of Rs. 7.59 crore for compressed schedule. Your Company is fully confident to achieve another milestone of completing the contract under compressed schedule.

**ii) HOTEL PROJECT:**

The first phase of Hotel and Revolving restaurant successfully commissioned and the revenue generation during the year is satisfactory. The structural work second phase of hotel is complete and the commissioning is scheduled in September 2004. Your Company expects to generate handsome revenue after the start of full-fledged operation of the Hotel.

**iii) MULTIPLEX**

The revenue generation from the multiplex was phenomenal this year again. This division of the company due to entertainment tax exemption shall be continuing to enrich the company in the years to come.

**PROSPECTS**

The award of Kameng and SEWA projects will enable the company to cross a 1000 million mark of turnover in the coming years. The company is fully geared to meet all the targets set by Ministry of Power to generate additional 35,000 MW electricity through Hydro Project Developments in the five year plan. Your Company also aspires to reap the benefits inherited in real estate projects under the pipeline as on date.

The mineral activities is a discontinued one long ago and the diversification of the Company in real estate and infrastructure sector have persuaded the directors to change the name of the Company. The approval of members of the Company is being sought in ensuing Annual General Meeting.

**DIVIDEND**

For the financial year 2003-04, an Interim Dividend @ 5 % was paid on March 10, 2004 aggregating Rs. 28,09,661/-. Corporate Tax on Dividend of Rs. 3,60,000 has also been paid. Your Directors do not recommend final dividend for the year.

**DIRECTORS**

Mr. P.C Jain retires from the Board of Directors by rotation and is eligible for re-appointment. Mr. Kamal Chandwar, who was appointed as Additional Director and holds office up to ensuing Annual General Meeting, is also eligible for re - appointment

**AUDITORS**

M/s. M. C. Bhandari & Co. Chartered Accountants, Kota Statutory Auditors of the company, M/s Milind Vijayvargiya & Associates, Chartered Accountants, M/s B. Khosla & Co., Chartered Accountants and M/s J.N Khandelwal & Co., Chartered Accountants, Branch Auditors of the Company retire at the conclusion of this meeting and are eligible for re-appointment.

**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 2004, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the 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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the accounts for the period ended March 31, 2004 are on a going concern basis.

**LISTING AGREEMENT**

The restoration of suspension of trading of Company's Equity Shares in Mumbai Stock ex-

change is in final way and the delisting process from Stock Exchanges at Delhi, Jaipur and Ahmedabad as approved in previous Annual General Meeting of the Company shall be taken in hand after that .Listing fees of Mumbai Stock Exchange has been duly paid.

**CORPORATE GOVERNANCE**

Your Company has been practicing principles of good corporate governance practices over the years. Your Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance along with certificate from the Auditors confirming compliance is annexed and forms part of the Directors' Report.

**FIXED DEPOSITS**

Your Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956.

**ACKNOWLEDGMENT**

Your Directors take this opportunity to thank all our People, for their dedicated service and contribution made towards the growth of the Company. The Directors sincerely appreciate the hard work, service excellence, solidarity, co-operation, commitment, support and dedication displayed by employees at all levels. Your Directors express their grateful appreciation to Government Departments, Financial Institutions, Banks, suppliers and Consultants for their continuous guidance and support.

For Om Metals & Minerals Ltd.

Place : Kota

Dated : 31.08.2004

T.C. Kothari  
(Chairman)

C.P Kothari  
(Managing Director)

D.P Kothari  
(Director)

## ANNEXURE TO DIRECTOR'S REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31<sup>st</sup> March, 2004

### A. Conservation of energy:

#### (a) Energy conservation measures taken:

Greater emphasis has been laid on creating awareness amongst all employees for the optimal utilization of power and prevent misuse of energy at all levels.

#### (b) 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 –

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

Impact has not been measured.

#### (d) 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 utilization 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 included in respective head of expenditure.

### C. Technology Absorption, Adoption and Innovation:

#### (i) Efforts in brief, 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 and innovation are going on.

#### 2. Benefits derived as a result of the effort product improvement.

- Cost reduction.
- Product development & Import substitution etc.

#### 3. Technology imported during the last 5 year.

– 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 service and export plans.

#### (ii) Total foreign exchange used and earned.

(Rs. in Lacs)

	31.03.2004	31.03.2003
i. Earning by ways of :		
(a) Exports	Nil	Nil
(b) Service (Commission)	Nil	Nil
ii. Outgo by way of		
a) CIF value of imports	Nil	Nil
(b) Traveling & Others	Nil	Nil
(c) Capital Goods	Nil	Nil

## **Management discussion and Analysis**

### **Overall review**

Overall performance of the company is satisfactory because projects which are heading towards completion have reasonably contributed to turnover and multiplex at Kota has shown exemplary performance this year. With the award of new contracts Company shall be able to register significant jump in turnover and profitability as well in year ahead.

### **Industry Outlook**

#### **Engineering Division:**

The outlook of the industry mainly depends on the new irrigation and hydropower projects. The Prime Minister of India has unveiled the 50000 MW hydroelectric 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 340000 MW during the 10th and 11th 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 Hotel and tourism industry has recovered from aftermath of terrorist's attacks worldwide in past years. Tourism industry has seen a tremulous growth in past year. Nevertheless arrival rate of international tourists in Jaipur has been steadily growing. Jaipur being the most popular tourist destination in India forms a Golden Triangle of tourism. As per Department of Tourism statistics around 35-40% of the international tourists coming to India visit Golden Triangle. Proposal of the Government of establishing an International Airport in Jaipur will boost the Tourist and Hotel industry in Jaipur in coming years.

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 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 110000 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 10<sup>th</sup> and 11<sup>th</sup> 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 thereby 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 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 art

Screen multiplex. Kota emerging as a prominent hub for IIT, PMT & PET students contributing to the scintillating 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 neighboring 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 the 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.

The structural work second phase of hotel is complete and the commissioning is scheduled in September 2004. Your Company expects to generate handsome revenue after the start of full-fledged operation of the Hotel.

### **Risks and concerns**

The management for the Company considers following as business risks

1. The increase in steel process 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 process poses a threat of higher competition with the multinationals who are better organized and the countries like China with cheap labour rates and 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, terrorist 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 the Companies Act, 1956. 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 unauthorized use or disposition and that the transactions are probably authorized, recorded and reported.

### **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:

1. Comprehensive and user friendly performance appraisal system has been evolved to create result oriented culture.
2. Workers involvement in quality control circles is promoted which results in problem solving and improvement in operational areas.
3. Knowledge sharing is encouraged through circulation of various knowledge building articles and strengthening internal communication

4. Suggestion scheme involving all employees at all the project sites is receiving good response and improving quality of work.
5. 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.

**For Om Metals & Minerals Ltd.**

**T.C. Kothari**  
(Chairman)

**C.P Kothari**  
(Managing Director)

**D.P Kothari**  
(Director)

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of corporate Governance

Om Metals believes in and always strives towards maximising value for all stakeholders while ensuring accountability and transparency in conduct of business within acceptable legal and ethical framework by adhering to good Corporate Governance practices. For us adherence to Corporate Governance practices is not just a matter of compliance with certain regulatory obligations, but it is a measure of achieving excellence. It is our constant effort that all activities of the Company should be directed towards enriching the stakeholders, employees, customers and society.

Om Metals has taken proactive measures to periodically review and revise the Corporate Governance Practices incorporating appropriate checks and balances at various levels of management.

### 2. Board of Directors

The Board of Directors presently comprises six members out of which two are Executive -Directors and four are Non-Executive Directors. Chairman of the Board is also a Non-Executive Director. Out of six Directors three Directors are Independent Directors.

The size and composition of the Board conforms to the requirements of Corporate Governance norms as stipulated under the provisions of the Listing Agreement entered into with the Stock Exchanges.

During the year under review, fourteen Board Meetings were held viz; on 25<sup>th</sup> April 2003, 30<sup>th</sup> June, 2003, 30<sup>th</sup> July, 2003, 06<sup>th</sup> September 2003, 15<sup>th</sup> October 2003, 20<sup>th</sup> November 2003, 17<sup>th</sup> December 2003, 21<sup>st</sup> December 2003, 07<sup>th</sup> January 2004, 06<sup>th</sup> February 2004, 16<sup>th</sup> February 2004, 19<sup>th</sup> February 2004, 26<sup>th</sup> February 2004 and 10<sup>th</sup> March 2004.

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

Details of attendance of each Director at the Board Meetings, last Annual general meeting, and number of other Directorship and Membership in committees thereof are as under :

### 3. Audit Committee

The Board of Directors of the Company had constituted an Audit committee in December 2000 and The Audit committee comprises of three independent Non-Executive Directors viz; Mr. B. V. Maheshwari, Mr. P.C. Jain and Mr. Kamal Chandwar. Mr. D.P kothari resigned as member of Audit Committee in Board Meeting held on 10<sup>th</sup> March 2004 and Mr. Kamal Chandwar was appointed as a member in the Audit Committee in same meeting.

The Chairman of the committee is Mr. B. V. Maheshwari. Terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies act, 1956 and are as follows:

- Overseeing the Company's financial reporting process and ensuring correct disclosure of financial information.
- Reviewing the Company's financial and risk management policies.
- Reviewing with management the quarterly, half yearly and annual financial statements before submission to the Board focusing primarily on (i) any changes in accounting policies and practices; (ii) qualifications in draft audit report; (iii) significant adjustments arising out of audit; (iv) compliance with accounting standards; (v) compliance with stock Exchange and legal

Name of Director	Category	Designation	Attendance Particulars		Directorship of other Indian Companies		Committees' Memberships*	
			Board Meetings	Last AGM	Public	Private	Member	Chairman
Dr. T. C. Kothari	Promoter & Non-Executive Director	Chairman	14	Yes	2	2	-	-
Mr. C. P. Kothari	Promoter & Executive Director	Managing Director	13	Yes	2	-	-	-
Mr. D.P. Kothari	Promoter & Executive Director	Director	11	Yes	-	-	-	-
Mr. B. V. Maheshwari	Independent & Non-Executive Director	Director	9	Yes	-	-	-	-
Mr. P. C. Jain	Independent & Non-Executive Director	Director	9	No	-	1	-	-
Mr. Kamal Chandwar (From 10th March 2004)	Independent & Non-Executive Director	Director	N. A.	N. A.	-	-	-	-

\* Only the Audit Committee, the Shareholders' Grievance Committee and the Remuneration Committee are considered as per Listing Agreement.

requirements concerning financial statements and (vi) any related party transactions

- (d) Reviewing adequacy of internal audit functions and internal audit reports
- (e) Discussing with external auditors before the audit commences, nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.

Constitution of audit committee and other related information as on 31<sup>st</sup> March 2004 are as under :

Name of Director	Status	No. of Meetings	
		Held	Attended
Mr. B. V. Maheshwari	Chairman	4	4
Mr. D.P Kothari (up to 10 <sup>th</sup> March 2004)	Member	4	3
Mr. P.C. Jain	Member	4	4
Mr. Kamal Chandwar (From 10 <sup>th</sup> March 2004)	Member	N.A	N.A

During the Financial year 2003-04, 5 Audit Committee Meetings were held on 23<sup>rd</sup> April 2003, 23<sup>rd</sup> June 2003, 27<sup>th</sup> July 2003, 13<sup>th</sup> October 2003 and 06<sup>th</sup> January 2004.

#### 4. Shareholders'/Investors' Grievance Committee

The Board of Company has constituted a Shareholders' grievance Committee, comprising Mr. D.P. Kothari, Mr. B.V. Maheshwari and Mr. P.C. Jain. Mr. B.V. Maheshwari, Non- Executive Director is Chairman of the Committee.

The Committee, inter alia, approves issue of duplicate certificates, reviews all matters connected with the share transfers, looks into the redressal of shareholder's complaints like transfer of shares, non-receipt of declared dividends, etc. the Committee also oversees the performance of the Registrar and share transfer Agents.

Details of Shareholder's correspondence received during the year are as under :

Nature of complaints	No. of complaints received	No. of complaints resolved
Change of Address	2	2
Non-receipt of share certificate/Transfer/ Transmission	4	4
Non-Receipt of dividend	1	1
Others	2	2

The Company and the Registrar & Transfer Agents have attended to most of the shareholder's correspondence within a period of 15 days from date of receipt of correspondence during the year 2003-04.

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented "Om Metals Code of Conduct for Prevention of Insider Trading" and "Code for Corporate Disclosure Practices"

The Investor Grievance Committee monitors the compliance of the provisions of the codes.

#### 5. Remuneration to Directors

The Company has no pecuniary relationship or transaction with its non-executive directors other than professional fee. The Company has a credible and transparent policy in determining and accounting for the remuneration of the Managing/whola-time Directors. 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 31<sup>st</sup> March 2004 are here as under:

Name of Director	Salary and Allowances	Perks and Benefits	Consultancy	Sitting Fees	Total
Dr. T. C. Kothari	N. A.	N. A.	Rs. 1,20,000	N. A.	Rs. 1,20,000
Mr. C. P. Kothari	Rs. 4,98,000	Rs. 30,000	N. A.	N. A.	Rs. 5,28,000
Mr. D. P. Kothari	Rs. 4,56,000	Rs. 30,000	N. A.	N. A.	Rs. 4,86,000
Mr. P. C. Jain	N. A.	N. A.	Rs. 1,31,000	N. A.	Rs. 1,31,000
Mr. B. V. Maheshwari	N. A.	N. A.	N. A.	N. A.	NIL
Mr. Kamal Chandwar (From 10 <sup>th</sup> March 2004)	N. A.	N. A.	N. A.	N. A.	N. A.

## 6. General Body Meetings

Details of Annual General Meetings held during last three years are here as under:

AGM for Financial year ended	Date	Time	Location
2000-01	28.09.2001	11.00 a.m	B-117-118, Industrial Estate, Kota, Rajasthan
2001-02	30.09.2002	11.00 a.m	B-117-118, Industrial Estate, Kota, Rajasthan
2002-03	30.09.2003	11.00 a.m	B-117-118, Industrial Estate, Kota, Rajasthan

No resolution is proposed to be passed by 'postal ballot' in the ensuing Annual general Meeting of the Company.

## 7. Disclosures

None of the transactions entered into by the Company with any of the related parties were in conflict with the interest of the Company.

No penalty or strictures were imposed on the Company by any of the Stock exchanges, SEBI or other statutory authorities on any matter related to capital markets during the last three years.

## 8. Means of Communication

During the financial year 2003-04, quarterly unaudited results for the quarter ended on 31.12.2003 was published in Hindustan times on 22.01.2004. The Company does not have a system of sending results to shareholders individually but queries, if any, are replied immediately.

For information of the Shareholders, the Company also publishes at least 7 days in advance, notice of Board Meeting at which the financial results are proposed to be approved by the Board.

'Management Discussion and Analysis' Report forms an integral part of the Directors' report.

## 9. General Shareholder Information Annual General Meeting

**Financial Calendar** (Tentative and subject to change)

- . Financial Reporting for Quarter ending 30<sup>th</sup> June 2004
- . Financial Reporting for Half year ending 30<sup>th</sup> September 2004
- . Financial Reporting for Quarter ending 31<sup>st</sup> December 2004
- . Financial Reporting for Quarter ending 31<sup>st</sup> March 2005

**Listing on Stock Exchanges\***

25<sup>th</sup> September 2004 at 11.00 a.m.  
at B-117-118, Industrial Estate, Kota, Rajasthan

Last week of July, 2004  
Last week of October, 2004  
Last week of January, 2005  
Last week of April, 2005

1. The Stock Exchange, Mumbai
2. Delisting process from following stock Exchanges is underway :
  - . Delhi Stock exchange
  - . Jaipur Stock exchange
  - . Ahmedabad Stock exchange

BSE-531092

INE 239D01010

**Stock Code**

**ISIN**

**Stock Market Data**

Trading in Shares of Company on BSE is suspended for the time being. The Company is making its best efforts to get it restored. Whole process is at final stage and the Company expects to get the restoration very soon. In other stock exchanges, shares of the Company are not actively traded hence past year data not compiled.

**Registrar & Share Transfer Agents**

M/s Skyline Financial Services Pvt. Ltd.  
123, Vinoba Puri, Lajpat Nagar, New Delhi-24  
Tel: 011-26833777, Fax: 011-26918352  
E-mail: skyline\_fspl@rediffmail.com

**Share Transfer System**

The Share transfers which are received in physical form are processed well with in the prescribed period, from the date of receipt, subject to the documents being valid and complete. Physical shares received for dematerialisation are processed and completed within prescribed period from date of receipt, subject to documents are in order. Bad deliveries are immediately returned to Depository Participants under advice to the Shareholders.



**Distribution of Shareholding (as on 31st March 2004)**

Category	No. of Shareholders	No. of Shares held	% of a Total
Promoters	27	4673275	83.17
Companies	8	646260	11.51
Indian Public	812	298180	5.30
NRIs/OCBs	5	1400	0.02
<b>Total</b>	<b>852</b>	<b>56,19,115</b>	<b>100</b>

**Dematerialisation of Shares and liquidity**

As on 31st March 2004, 98,900 Equity Shares of the Company were held in dematerialised mode and rest were in physical form.

**Outstanding GDR/ADR**

NIL

**Plant Location**

1. Factory at B-117/118, Indraprastha Industrial Area, Kota, Rajasthan
2. Om Cineplex at Indra Vihar, Kota, Hotel at M I Road, Jaipur
3. Largi, Koldam in Himachal Pradesh, Almatti in karnatka and various other project sites

**Address for Investor Correspondence**

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

M/s Skyline Financial Services Pvt. Ltd.  
 123, 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  
under Clause 49 of the Listing Agreement**

To

The Members of Om Metals & Minerals Limited

We have examined the compliance of conditions of Corporate governance by Om Metals & Minerals Limited (the Company) for the year ended on 31<sup>st</sup> March 2004, as stipulated in Clause 49 of the Listing Agreements of the Company with Stock Exchanges in India.

The compliance of the 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.

In our opinion and to best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2004, no investor grievances are pending against the Company as on 31<sup>st</sup> March 2004 as per records maintained by the Company and presented to the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which 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: 16.08.2004

## AUDITOR'S REPORT

To the Share Holders  
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 31.3.2004 and also the Profit & Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year on that date. The accounts of branches/division i.e. Engineering, Multiplex and Hotel 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 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 conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditor's Report) Order, 2003 issued by the central Government of India in terms of subsection (4A) of section 227 of the companies Act, 1956, we annenured 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, 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 the 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 deal with in preparing our report.
- (d) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns audited by other auditors of the divisions of the company.
- (e) In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the applicable accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956. Subject to non compliance of As 2 issued by Chartered Accountants of India, regarding valuation of finished goods. Refer 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 of the company is disqualified as on 31.03.2004 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 our information and according to the explanations given to us, the said accounts give the information required by the Companies Act.1956, in the manner so required subject to note no 16 of schedule XVIII regarding non disclosure of quantitative details in hotel division and other notes on schedule XVIII gives 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 affair of the Company as at 31.03.2004 and.
  - (ii) In the case of the profit & loss Account, of the Profit for the year ended on that date.
  - (iii) In the case of the cash flow statement of the cash flows for year ended on that date.

**For M. C. BHANDARI & CO.**  
Chartered Accountants

Place : 38, Shopping Centre,  
Kota, (Raj.)

Dated: 16.08.2004

**(S. K. MAHIPAL)**  
Partner  
M. No.: 70366

**ANNEXED TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 10 OF THE REPORT OF EVEN DATE ON THE ACCOUNTS OF M/S OM METALS & MINERALS LIMITED KOTA FOR THE YEAR ENDED ON 31ST MARCH, 2004**

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 construed the report made under the aforesaid order by other auditors, who have audited the accounts of the Branches/Divisions (Cinema, Engg. Division and Hotel division) of the Company.

**1. In respect of its fixed assets :**

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the assets have been physically verified during the year by the management, in accordance with the established system of periodically verification of fixed assets once in two years except in respect of one location, where physical verification has not been carried out during the year. In our opinion, the frequency of verification is reasonable considering the size of the operation of the company. No material discrepancies between the book records and the physical record were noticed in respect of the assets physically verified.
  - (c) During the year, in our opinion, a substantial part of fixed assets of sheet mill's machineries disposed off by the Company. This sale does not effect going concern concept.
- 2. (a)** As explained to us, the inventory of the Company has been physically verified during the year by the Management at the year end. In our opinion, the frequency of verification is reasonable according to the nature of the business.
- (b) According to the information and explanation given to us, in our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noted on physical verification between the physical stocks and book records were not material, having regard to the size or the operations of the Company and have been properly dealt within the books of accounts.
- 3. (a)** In our opinion and according to the information and explanation given to us, the company has not granted unsecured loans to companies/firms covered in the Register maintained under Section 301 of the Companies Act 1956.
- During the year, the company has not taken, any loans, secured or unsecured loans from companies, firms or other parties covered in the register maintains under section 301 of the companies Act 1956. The unsecured loans of Rs. 333.44 lacs taken from three parties in previous year have been repaid during the year.
- (b) In our opinion, the rate of interest and other terms & conditions on which loans have been taken by the companies/persons or other parties listed in the register maintained under section 301 of the companies Act 1956 are not prima facie prejudicial to the interest of the Company.
  - (c) There was no stipulation as regards repayment of principal and interest hence we are not required to comment under paragraph 4 (iii) (c) of the order.
  - (d) There is no over due amount of loans taken from companies firms or other parties listed in the register maintained under section 301 of the companies Act. 1956.
- 4.** In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. Further on the basis of our examination and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- 5. (a)** Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions which need to be entered into the register maintained under Section 301 of the companies Act 1956 have been so entered.

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- (b) In our opinion and having regard to our comments in para (iv) above and according to the informations and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanation given to us, maintenance of cost records have not been prescribed by the central Government under section 209 (1) (d) of the companies Act. 1956.
9. (a) According to the information and explanations given to us and the records of the company, the company has been generally regular except for few delays depositing undisputed statutory dues including income tax, Sales Tax, P.F., ESI, Excise duty, customs duty, wealth tax, and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable on account of the above dues, Outstanding as at 31.03.2004 for a period of more than 6 months from the date they become payable.
- (b) As at 31.03.2004, according to the records of the company and the information and the explanations given to us, the following are the particulars of disputed dues on account on sales tax, income tax and excise duty matters that have not been deposited on account of a dispute.

(Rs. in Lacs)

Nature of the statute	Nature of the Dues	Forum where pending	Amount	Period which the amount relates
Income Tax Laws	Income Tax	Commissioner (Appeals) / I. T. A. T.	19.24	1989 - 90
				1992 - 93
				1996 - 97 & 1997 -98
Sales Tax Laws	Sales Tax	Commissioner (Appeals) / Tribunal	44.90	1984-85
				1985-86
				1986-87
				1990-91 to 99-2000
Central Excise Law	Excise Duty	Tribunal / Commissioner (Appeals)	29.67	2001-02 & 03

10. The Company does not have accumulated losses at the end of the financial year March 31, 2004. Further the company has not incurred any cash losses during the financial year ended March 31, 2004 and in the proceeding financial year ended March 31, 2003.
11. According to the records of the company examined by us and the information and explanations given to us, the Company during the year has not defaulted in repayment of dues to any financial institution, bank or to debenture holders.
12. In our opinion and according to the information and explanation given too us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Paragraph 4 (xii) of the order is not applicable.
13. The provisions of any special statute applicable to chit fund/Nidhi/mutual benefit fund/societies are not applicable to the company.
14. As the company is not a dealer or trader in share, securities, debentures and other investments, paragraph 4 (xiv) of the order is not applicable.

15. On the basis of the information and explanation given to us, the company has not given guarantees for loans taken by others form banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the informations and explanation given to us, the terms loans taken during the year have been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examinations of the balance sheet of the company, we report that there are no funds raised on a short therm basis which have been used for long term investment and vice versa.
18. As the Company has not made any preferential allotment of shares during the year, paragraph 4 (xviii) of the order is not applicable.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures, paragraph 4 (xix) of the order is not applicable.
20. During the year, since the company has not raised any money by way of Public Issue, parapraph 4 (xx) of the order is not applicable.
21. Base upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2004

**For M. C. BHANDARI & CO.**  
Chartered Accountants

Place : Kota

Dated : 16.08.2004

**(S. K. MAHIPAL)**  
Partner  
M. No. 70366

LTD.



OM METALS &amp; MINERALS LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2004

PARTICULARS	SCHEDULE	Figures as at 31.03.2004	Figures as at 31.03.2003
<b>SOURCES OF FUNDS</b>			
<b>1. Share Holder's Funds :</b>			
Share Capital	I	56191150.00	56191150.00
Reserve & Surplus	II	202307032.29	164932001.29
		<u>258498182.29</u>	<u>221123151.29</u>
<b>2. LOAN FUNDS</b>			
Secured Loan	III	111613131.52	59590898.29
Unsecured Loan	IV	1565960.00	35737244.53
		<u>113179091.52</u>	<u>95328142.82</u>
<b>3. Deferred Tax Liability (Net)</b>			
	V	<u>9808765.00</u>	<u>10439030.00</u>
<b>TOTAL FUNDS EMPLOYED</b>		<u>381486038.81</u>	<u>326890324.11</u>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets :</b>			
Gross Block	VI	310276202.88	200229807.30
Less : Depreciation		<u>82162791.00</u>	<u>76930764.39</u>
		<u>228113411.88</u>	<u>123299042.91</u>
Capital Work in Progress including Advances against capital exp.		<u>41759405.38</u>	<u>108570029.95</u>
		<u>269872817.26</u>	<u>231869072.86</u>
<b>2. Investments</b>			
	VII	9574050.00	14583800.00
<b>Current Assets Loans &amp; Advances</b>			
<b>3. Inventories</b>			
Sundry Debtors	VIII	77500748.86	27397337.00
Cash & Bank Balance		55345476.91	41118655.14
Loans & Advances		44337009.85	17614721.93
		<u>50148549.84</u>	<u>44541796.08</u>
		<u>227331785.46</u>	<u>130672510.15</u>
Less : Current Liabilities & Prov.	IX	<u>125527821.85</u>	<u>50923813.84</u>
		<u>101803963.61</u>	<u>79748696.31</u>
<b>4. Miscellaneous Exp.</b>			
(To the extent not written off or adjusted)	X		
Public Issue Exp.		235207.94	688754.94
		<u>381486038.81</u>	<u>326890324.11</u>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	XVIII		

Signed in Terms of our Report of even date Annexed.

For OM METALS &amp; MINERALS LIMITED

For **M. C. BHANDARI & CO.**  
Chartered AccountantsSd/-  
(T. C. KOTHARI)  
ChairmanSd/-  
(S. K. MAHIPAL)  
PartnerSd/-  
(C. P. KOTHARI)  
Managing DirectorPlace : KOTA  
Dated : 16.08.2004Sd/-  
(D. P. KOTHARI)  
Director



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

PARTICULARS	SCHEDULE	YEAR ENDED ON 31.03.2004	YEAR ENDED ON 31.03.2003
<b>INCOME</b>			
Sales of products and erection & esc. receipts		262749877.14	283966722.65
Less : Excise duty		<u>7247058.00</u>	<u>3540963.00</u>
		<b>255502819.14</b>	<b>280425759.65</b>
Guest accommodation & hotel/rest. receipts		14544811.71	1861591.00
Films distribution & film ticket receipts		27345938.01	19037212.50
Other Income	XI	14285739.56	18140852.67
Increase (Decrease) in Stock of Finished goods & WIP		43356812.00	(66102334.42)
Total Income :-		<u>355036120.42</u>	<u>253363081.40</u>
<b>EXPENDITURE</b>			
Consumption of raw material	XII	167639301.29	110015200.98
Prov. & beverages			
Payments to & Prov. for employees	XIV	20805928.09	13224469.21
Manufacturing, Operating & Upkeep house exp. & Film Purchases	XV	67203343.27	43476529.50
Administrative & Selling Expenses	XVI	28194310.96	33082390.35
Financial Expenses	XVII	<u>16191335.88</u>	<u>12678868.41</u>
		<b>300034219.49</b>	<b>212477458.40</b>
Profit before Taxation & Dep.		55001900.93	40885623.00
Less : Depreciation		12439363.93	10999221.07
Less : Transfer to Revaluation Reserve		528021.96	489374.00
		<u>11911346.97</u>	<u>10509847.07</u>
Profit after Depreciation		43090553.96	30375775.93
Less : Prov. for Taxation		2820000.00	2500000.00
Add. Deferred Tax Assets Created		630265.00	4989870.00
Profit during the year		40900818.96	32865645.93
Profit as per last Balance Sheet		101081847.31	68493825.63
Balance available for appropriation		<u>141982666.27</u>	<u>101359471.56</u>
<b>APPROPRIATION :</b>			
Interim dividends		2817000.00	0.00
Corporate dividend Tax		360000.00	0.00
Add. (Less) : Prov. W. back for Taxation for earlier year		179234.00	(277624.25)
General reserve		1000000.00	0.00
Balance carried to balance sheet		<u>137984900.27</u>	<u>101081847.31</u>
		<b>141982666.27</b>	<b>101359471.56</b>

Earning per shares-Basic/diluted  
(Refer note - (8) in schedule XVIII)

Rs. 7.28

Rs. 5.85

Notes to the Financial Statements XVIII

Signed in Terms of our Report of even date Annexed.

For OM METALS & MINERALS LIMITED

For **M. C. BHANDARI & CO.**  
Chartered Accountants

Sd/-  
**(T. C. KOTHARI)**  
Chairman

Sd/-  
**(S. K. MAHIPAL)**  
Partner

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

Place : KOTA  
Dated : 16.08.2004

Sd/-  
**(D. P. KOTHARI)**  
Director



LTD


**OM METALS & MINERALS LTD.**

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31ST MARCH, 2004**

ON  
003

SCHEDULE - I

1.65  
1.00  
1.65

1.00  
1.50  
1.67  
42)

1.40

1.98

1.21

1.50

1.35

1.41

1.40

1.00

1.07

1.00

1.07

1.93

1.00

1.93

1.63

1.56

1.56

1.00

1.00

1.25

1.00

7.31

1.56

5.85

ATED

RI)

RI)

ctor

RI)

(19)

**PARTICULARS**

**AS AT  
31.03.2004  
Rs.**

**AS AT  
31.03.2003  
Rs.**

**SHARE CAPITAL**

**AUTHORISED**

80,00,000 Equity Share of Rs. 10/-each

80000000.00

80000000.00

**ISSUED**

5619115 Equity Share of Rs. 10/- each

56191150.00\*

56191150.00\*

**SUBSCRIBED AND PAID UP**

5919115 Equity Share of Rs 10/- each

56191150.00\*

56191150.00\*

**Total**

56191150.00

56191150.00

\* Note :-

- (1) Out of above 1956,800 and 2298600 fully paid Eq. 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)

(20)

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

PARTICULARS	SCHEDULE -II	
	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
<b>RESERVE &amp; SURPLUS</b>		
<b>A. REVALUATION RESERVE :</b>		
On revaluation of assets as per last balance sheet	9700962.15	10190336.15
Less : Dep. provided on revalued assets during the year	<u>528021.96</u>	<u>489374.00</u>
	<b><u>9172940.19</u></b>	<b><u>9700962.15</u></b>
<b>B. CAPITAL RESERVE :</b>		
i) On Sale of Fixed Assets As per last balance sheet	<u>2470584.83</u>	<u>2470584.83</u>
	<b><u>2470584.83</u></b>	<b><u>2470584.83</u></b>
ii) Capital Subsidy As per last balance Sheet Less : Recovered by deptt.	4924645.00 0.00	4932400.00 7785.00
	<u>4924615.00</u>	<u>4924615.00</u>
<b>C. SHARE PREMIUM</b>		
Opening Balance	44764600.00	91452000.00
Less : Allotment money in arrear	10608.00	10608.00
Less : Share premium reduced	0.00	46687400.00*
	<u>44753992.00</u>	<u>44753992.00</u>
<b>D. GENERAL RESERVE :</b>		
As per last balance sheet	2000000.00	2000000.00
Add. Transfer from profit & Loss A/c.	1000000.00	0.00
	<u>3000000.00</u>	<u>2000000.00</u>
<b>E. PROFIT AND LOSS ACCOUNT</b>		
Surplus as per P & L A/c.	137984900.27	101081847.31
Annexed	137984900.27	101081847.31
<b>Total :</b>	<b><u>202307032.29</u></b>	<b><u>164932001.29</u></b>

**Note :**

\* Partly paid up equity share converted into fully paid up share as per the scheme of arrangement approved by Hon'ble Rajasthan high court, Jaipur dated 09.08.2002. Thus allotment money arrear reduced.

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

JLE-II	SCHEDULE - III		
AT .2003 s.	PARTICULARS	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
	<b><u>SECURED LOANS:</u></b>		
	<b>TERM LOAN</b>		
36.15	i) From RIICO Ltd. (See note No. 1 (a))	36249950.00	32500000.00
	ii) From SBBJ (See note no. 1 (b))	24686941.00	0.00
74.00	iii) From Others (See note no. 2)	2612466.41	2856870.25
<u>62.15</u>			
	<b>WORKING CAPITAL FACILITIES :</b>		
	i) Cash Credit Hypothecation:		
	From SBBJ	38266223.88	21380919.54
	(See note no. 3 (i))		
	From Bank of Baroda	383654.80	603108.50
	(See note no. 3 (i))		
84.83	From IDBI Bank	6002236.20	0.00
<u>84.83</u>	(See note no. 3 (i))		
00.00	From SBOP Bank	2498659.23	0.00
85.00	(See note no. 3 (i))		
<u>15.00</u>			
00.00	ii) Short Term Loan against FDR Banks	913000.00	2250000.00
08.00	(see note no. 3 (ii))		
<u>10.00*</u>			
<u>92.00</u>		<u>111613131.52</u>	<u>59590898.29</u>
00.00	Term loan includes Rs. 455.28 Lacs (including RIICO Ltd. Rs. 362.50 Lacs) due within year (Previous Year		
0.00	Rs. 80.64 Lacs)		
00.00			

**NOTES :**

- 1 a) Secured by way of equitable mortgage of lease of land belonging to M/s. Om Structurals (I) (P) Ltd. & Om Kothari Parawarik Trust, Sah Buildcon (P) Ltd. & Richa Builders (P) Ltd. under an agreement and hype. 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.
- (b) Secured by way of equitable mortgage of lease hold land & building and Hyp. of plant & machinery, furniture & fixture and other equipments of Multiplex division at Kota and personal guarantees of director of the company.
2. Secured by way of Hypothecation of vehicles financed by CITI Bank/Private financier (N.B.F.C.)
3. i) Cash Credit limits are secured by hypothecation of stock/stores and book 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 taken from financial institution and other parties etc.) by way of mortgage/hypothecation of all the immovable/movable properties of the Company and personally guarantes of the Shri T. C. Kothari, Shri C. P. Kothari and Shri D. P. Kothari Directors of the Company and further secured by of equitable mortgage of land & Building belonging to Om Kothari Cement & Chemicals (P) Ltd. and Jupiter Metals Pvt. Ltd. Om Rajasthan Carbide Limited, Jupiter Mfg. Co. (P) Ltd. and Om Structural (I) Pvt. Limited.
- ii) Secured by way of deposit of FDR.
4. In the case of bank guarantee limits, (outstanding as at 31.03.2004 Rs. 2383.00 lacs). it is secured by way of deposit of FDR (margin money) counter guarantee of the company and the personal guarantees of directors of the company and collateral securities as mentioned above (i) on ranking pari-passu.

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

PARTICULARS	SCHEDULE -IV	
	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
<b><u>UNSECURED LOAN :</u></b>		
From RIICO Ltd. (Sales Tax Interest free loan)	1565960.00	2386880.00
Inter corporate deposit From directors	0.00 0.00	29319697.07 4030667.46
	<b><u>1565960.00</u></b>	<b><u>35737244.53</u></b>

**NOTE :**

Rs. 6.96 lacs due to RIICO Ltd. with in a year (Previous year Rs. 6.96 Lacs.)

PARTICULARS	SCHEDULE -V	
	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
<b><u>DEFERRED TAX LIABILITIES AND ASSETS :</u></b>		
<b><u>DEFERRED TAX LIAB. :</u></b>		
Depreciation	10690662.00	12040315.00
	<b><u>10690662.00</u></b>	<b><u>12040315.00</u></b>
Deferred Tax Assets :		
Provision for gratuity & leave encasement	614814.00	613724.00
Capital Loss & Others	267083.00	987561.00
	<b><u>881897.00</u></b>	<b><u>1601285.00</u></b>
Deferred Tax Liab. (Net)	<b><u>9808765.00</u></b>	<b><u>10439030.00</u></b>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

**SCHEDULE -IV**

**AS AT  
31.03.2003  
Rs.**

3880.00  
  
3697.07  
3667.46  
  
7244.53

**FIXED ASSETS**

**SCHEDULE -VI**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NETBLOCK		
	AS AT 31-03-2003	ADDITIONS	SALES/ TRANSFER	TOTAL COST AS AT 31.03.04	DEPRECIATION UP TO 31.03.03	DEPRECIATION DURING THE YEAR	TRANSFER WRITTEN BACK	TOTAL DEPRE- CIATION	W.D.V. 31.03.04	W.D.V. 31.03.03
1. Commercial Building	12231269.00	84545886.16	0.00	96777155.16	685.00	1125887.59	0.00	1126572.59	95650582.57	12230584.00
2. Agriculture Building	521761.50	0.00	0.00	521761.50	0.00	0.00	0.00	0.00	521761.50	521761.50
3. Tenancy Right/ Lease hold land	14647625.31	0.00	0.00	14647625.31	0.00	0.00	0.00	0.00	14647625.31	14647625.31
4. Building/Temp. Labour Quarter Sheed	40936987.85	3918793.68	0.00	44855781.53	11827100.42	3370733.98	0.00	15197834.40	29657947.12	29109887.43
5. Plant & Machinery	105213889.11	30141853.23	19809763.00	115545979.34	49914106.99	4958801.80	7217434.17	47655474.57	67890504.77	55299782.12
6. Office Equipments	13601971.89	8450465.10	45520.00	22006916.99	7233387.03	1217954.34	0.00	8451341.37	13555575.62	6368584.86
7. Computer	397554.00	719980.00	0.00	1117534.00	194081.07	145795.59	0.00	339876.66	777657.34	203472.93
8. Vehicle	11125564.73	2235340.38	162340.00	13198565.14	6857542.13	1629637.66	96872.00	8390307.79	4808257.35	4268022.60
9. A.C./Cooler	1553183.91	51700.00	0.00	1604883.91	903873.00	97510.62	0.00	1001383.62	603500.29	649311.16
<b>TOTAL</b>	<b>200229807.30</b>	<b>130064018.55</b>	<b>20017623.00</b>	<b>310276202.88</b>	<b>76930775.64</b>	<b>12546321.58</b>	<b>7314306.17</b>	<b>82162791.00</b>	<b>228113411.87</b>	<b>123299031.91</b>
Figure in Previous Year	199590821.06	10139773.24	95078700.00	200229807.30	69117757.56	10999222.07	3186215.24	78930764.00	123299042.91	130473063.50

**SCHEDULE -V**

**AS AT  
31.03.2003  
Rs.**

3315.00  
3315.00  
  
3724.00  
  
7561.00  
1285.00  
3030.00

**NOTE :**

- The Company has taken lease hold land at kota & Jaipur on sub-Lease basis from related parties in which directors are interested under an agreement for construction of building at Kota & Hotel at Jaipur with the stipulating that it shall be handed over after expiry of lease period & cost (W.D.V.) of Building shall be recovered.
- Lease hold land includes tenancy right at Bombay.
- Addition in gross block amounting in Rs. 748594/- & depreciation during the year include Rs. 84558/- of Hotel division taken during the year which were purchased in earlier year & included in Capital Work in Progress.
- Depreciation of Rs.22394/-Charged to projects & Pre-operative expenses and balance Rs. 1742009.31/- charged to Profit & loss Account.

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

**SCHEDULE -IV**

**AS AT  
31.03.2003  
Rs.**

3880.00

3697.07  
3667.46

7244.53

**SCHEDULE -VI**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NETBLOCK		
	AS AT 31-03-2003	ADDITIONS	SALES/ TRANSFER	TOTAL COST AS AT 31.03.04	DEPRECIATION UP TO 31.03.03	DEPRECIATION DURING THE YEAR	TRANSFER WRITTEN BACK	TOTAL DEPRE- CIATION	W.D.V. 31.03.04	W.D.V. 31.03.03
1. Commercial Building	12231269.00	84545886.16	0.00	96777155.16	685.00	1125887.59	0.00	1126572.59	95650582.57	12230584.00
2. Agriculture Building	521761.50	0.00	0.00	521761.50	0.00	0.00	0.00	0.00	521761.50	521761.50
3. Tenancy Right/ Lease hold land	14647625.31	0.00	0.00	14647625.31	0.00	0.00	0.00	0.00	14647625.31	14647625.31
4. Building/Temp. Labour Quarter Sheed	40936987.85	3918793.68	0.00	44855781.53	11827100.42	3370733.98	0.00	15197834.40	29657947.12	29109887.43
5. Plant & Machinery	105213889.11	30141853.23	19809763.00	115545979.34	49914106.99	4958801.80	7217434.17	47655474.57	67890504.77	55299782.12
6. Office Equipments	13601971.89	8450465.10	45520.00	22006916.99	7233387.03	1217954.34	0.00	8451341.37	13555575.62	6368584.86
7. Computer	397554.00	719980.00	0.00	1117534.00	194081.07	145795.59	0.00	339876.66	777657.34	203472.93
8. Vehicle	11125564.73	2235340.38	162340.00	13198565.14	6857542.13	1629637.66	96872.00	8390307.79	4808257.35	4268022.60
9. A.C./Cooler	1553183.91	51700.00	0.00	1604883.91	903873.00	97510.62	0.00	1001383.62	603500.29	649311.16
<b>TOTAL</b>	<b>200229807.30</b>	<b>130064018.55</b>	<b>20017623.00</b>	<b>310276202.88</b>	<b>76930775.64</b>	<b>12546321.58</b>	<b>7314306.17</b>	<b>82162791.00</b>	<b>228113411.87</b>	<b>123299031.91</b>
Figure in Previous Year	199590821.06	10139773.24	95078700.00	200229807.30	69117757.56	10999222.07	3186215.24	76930784.00	123299042.91	130473063.50

**SCHEDULE -V**

**AS AT  
31.2003  
Rs.**

3315.00

3315.00

3724.00

7561.00

1285.00

3030.00

**NOTE :**

- The Company has taken lease hold land at kota & Jaipur on sub-Lease basis from related parties in which directors are interested under an agreement for construction of building at Kota & Hotel at Jaipur with the stipulating that it shall be handed over after expiry of lease period & cost (W.D.V.) of Building shall be recovered.
- Lease hold land includes tenancy right at Bombay.
- Addition in gross block amounting in Rs. 748594/- & depreciation during the year include Rs. 84558/- of Hotel division taken during the year which were purchased in earlier year & included in Capital Work in Progress.
- Depreciation of Rs.22394/-Charged to projects & Pre-operative expenses and balance Rs. 1742009.31/- charged to Profit & loss Account.

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

SCHEDULE -VII

PARTICULARS	AS AT 31.03.2004 Rs.		AS AT 31.03.2003 Rs.	
	No. of Unit	Face Value	Cost	Cost
<b>1. INVESTMENTS :</b>				
<b>A) OTHER INVESTMENTS (UNQUOTED)</b>				
Ordinary shares (fully paid up)				
M/s. Om Structural (I) (P) Limited	45500	455000	0	459750
M/s. Om Kothari Steel & Alloys Limited	110000	1100000	0	1100000
M/s. Om Raj. Carbide Limited	25000	250000	0	1750000
M/s. Om Power Corpn. Limited	190000	1900000	1900000	1900000
			<u>1900000</u>	<u>5209750</u>
<b>B) OTHER INVESTMENT (QUOTED)</b>				
Ordinary Shares (Fully paid up)				
Manglam Timber Ltd.	800	8000	17040	17040
Chambal Fert. & Chem. Limited	10000	100000	0	100000
India Petro Chem. 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>61040</u>	<u>161040</u>
<b>C) OTHER SECURITIES (QUOTED)</b>				
India Petro Chem. Ltd. (Debenture)	100	5000	5000	5000
			<u>5000</u>	<u>5000</u>
<b>2. INVESTMENT IN SUBSIDIARY CO. (IN PREVIOUS YEAR)</b>				
Ordinary Shares (Unquoted) Fully paid up				
Om Kothari Enterprise Limited	(75950)	9195010	7595010	9195010
			<u>7595010</u>	<u>9195010</u>
<b>3. OTHER INVESTMENT :</b>				
National Saving certificate (Deposited with Sales Tax Deptt. Interest is to be adjusted on realisation)			13000	13000
			13000	13000
<b>TOTAL</b>			<u>9574050</u>	<u>14583800</u>

**NOTES :**

1. Aggregate Book value share/Deb.	- Quoted	0.66	1.66
	- unquoted	94.95	144.05
Aggregated Market Value	- Quoted	1.08	1.69

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

SCHEDULE -VII			SCHEDULE -VIIII
AS AT 31.03.2003 Rs.	PARTICULARS	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
	<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
	<b>1. INVENTORIES :</b>		
	(Stocks taken valued and certified by the management)		
	<b>RAW MATERIAL &amp; STORES :</b>		
159750	a) Raw Material, Accessories & Components (At cost)	17057481.86	10625630.00
100000	Components (At cost)		
750000	b) Stores & spares (at cost)	32378.00	74126.00
100000	c) Goods in Transit (at cost)	236522.00	0.00
<b>109750</b>			
	<b>FINISHED GOODS :</b>		
	a) Fabrication Goods (at contracted/selling prices)	16358290.00	3322840.00
	b) Other (Trading Goods) (at cost)	128137.00	8163.00
17040	<b>WORKING IN PROCESS :</b>		
00000	At estimated cost or rent releasable value which veeries lower	43687940.00	13366578.00
32000	<b>SUB TOTAL</b>	<b>77500748.86</b>	<b>27397337.00</b>
1000			
5000	<b>2. SUNDRY DOTERS :</b>		
6000	Debtors for which company held no security other than personal security of debtors.		
<b>61040</b>	a) Debtors outstanding for a period exceeding 6 months		
	i) Considered Good	17913190.65	9204249.11
5000	b) Other debtors (Considered good)	37432286.26	31914406.03
	(Refer note no. 13 schedule no. XVIII)		
<b>5000</b>	<b>Sub Total</b>	<b>55345476.91</b>	<b>41118655.14</b>
	<b>3. CASH &amp; BANK BALANCE :</b>		
195010	a) Cash in hand (including at branches/divisions as per cash book and as certified by the management.	1741335.05	1191074.29
<b>195010</b>	b) <b>Balance with Scheduled Bank :</b>		
	i) On Current Account	5226914.37	1988414.87
13000	ii) On fixed deposit receipts and margin account (Pledged against bank guarantees with bank)	21157525.25	12614058.25
	iii) Interest accrued on FDR	548380.46	250046.00
13000	c) Balance with other banks	15662854.72	1571128.52
<b>183800</b>	(Refer note no. 14 of Schedule XVIII)		
	<b>Sub Total :</b>	<b>44337009.85</b>	<b>17614721.93</b>
	<b>4. LOANS AND ADVANCES :</b>		
1.66	a) Loan to Employees	499995.55	280725.90
144.05	b) Advances recoverable in cash or kind value thereof to be received or adjusted. (Unsecured considered good)	10282547.67	15492076.75
1.69	c) Security & earnest money deposit (Refer note no 15 schedule XVIII)	30081102.06	14354743.06
	d) Deposit with customs & Excise authorities	167476.00	332568.00
	e) Income Tax deducted at source on works/advance income tax & demand paid	9117428.56	14081682.37
	<b>Sub Total :</b>	<b>50148549.84</b>	<b>44541796.08</b>



**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2004**

PARTICULARS	SCHEDULE -IX	
	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
<b><u>CURRENT LIABILITIES &amp; PROVISION :</u></b>		
<b>1. CURRENT LIABILITIES :</b>		
a) Sundry Creditors :		
i) For Capital Goods	12919474.80	0.00
ii) For goods supplied		
a) Due to small scale Ind.	23540.60	133572.00
b) Due to others	16900504.10	19321891.28
iii) For Expenses	13658613.66	9104080.83
iv) For other liab. (Govt. dues)	757461.36	527849.52
b) Advance & Security deposit from customers.	72840778.33	3142415.10
c) Balance with schedule bank due to reconciliation.	0.00	6955391.11
d) Intt. accrued but not due on T. Loans	1235981.00	691095.00
	<b><u>118336353.85</u></b>	<b><u>39876294.84</u></b>
<b>2. PROVISIONS :</b>		
a) For Taxation	5477701.00	9377526.00
b) For Gratuity	1514454.00	1424307.00
c) For Leave encasement	199313.00	245686.00
<b>Sub Total :</b>	<b><u>7191468.00</u></b>	<b><u>11047519.00</u></b>
<b>Grant Total</b>	<b><u>125527821.85</u></b>	<b><u>50923813.84</u></b>

**NOTES :**

- a) Sundry creditors for expenses include amounting to Rs. 7.82 lacs which are required to be refundable to share holders on account of reduction of share capital as per order of Hon'ble Raj. High Court dated 09.08.2002.
- b) Advance from customers including from customers secured by bank guarantee of Rs. 546.59 Lacs.

**MISCELLANEOUS EXPENDITURE :**

(To the extent not written off or adjusted)

	SCHEDULE - X	
Share Issue Expenses	688754.94	1142301.94
Less : Charged to profit & Loss account for the year	453547.00	453547.00
	<b><u>235207.94</u></b>	<b><u>688754.94</u></b>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED ON 31ST MARCH, 2004**

SCHEDULE - IX

AS AT  
31.03.2003  
Rs.

**PARTICULARS**

**SCHEDULE - XI**  
**YEAR ENDED ON**  
**31.03.2004**      **31.03.2003**  
**Rs.**                      **Rs.**

**OTHER INCOME :**

Interest (Gross)	2800602.80	2328515.23
Claims	0.00	243313.00
Machinery/Building & Other rent receipts	1667966.00	2072470.00
Miscellaneous Receipts	4177505.76	3779591.44
Transportation receipts	5598801.00	9716963.00
Profit on sales of investment	40864.00	0.00
	<u>14285739.55</u>	<u>18140852.67</u>
0.00		
572.00		
891.28		
080.83		
849.52		
415.10		
1391.11		
095.00		
<u>294.84</u>		

**SCHEDULE - XII**

**CONSUMPTION OF MATERIAL, PROVISION & BEVERAGES/TRADING**

OPENING STOCK	10633793.00	1829752.00
Add. Purchase including accessories & bought out item, semi finished Purchases	127901311.15	117869590.93
<b>SUB TOTAL :-</b>	<u>138535104.15</u>	<u>119699342.93</u>
Less : Closing Stock	1717534486	10633793.00
Add. Purchases of finished goods/parts including trading activities	46279542.00	949651.00
<b>TOTAL</b>	<u>167639301.29</u>	<u>110015200.93</u>

SCHEDULE - X

301.94

547.00

754.94

**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED ON 31ST MARCH, 2004**

**SCHEDULE -XIII**

PARTICULARS	YEAR ENDED ON	
	31.03.2004 Rs.	31.03.2003 Rs.
<b><u>INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS AND GOODS IN PROCESS :</u></b>		
<b>OPENING STOCK</b>		
a) Finished Goods	3322840.00	1877630.00
b) Work in Process :		
Work in process	13366578.00	80899174.42
c) Others	0.0	14948.00
	<u>16689418.00</u>	<u>82791752.42</u>
 <b>CLOSING STOCK :</b>		
a) Finished goods	16358290.00	3322840.00
b) Work in Process :		
Work in process	43687940.00	13366578.00
	<u>60046230.00</u>	<u>16689418.00</u>
 Increase (Decrease) in Stocks	<u>43356812.00</u>	<u>(66102334.42)</u>

**SCHEDULE - XIV**

**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :**

Salaries, wages, bonus & Allowance and gratuity etc.	19248981.19	11940490.85
Contribution of PF, ESI Scheme	553622.40	324094.95
Employees welfare Exp. including compensation	1003324.50	959883.41
	<u>20805928.09</u>	<u>13224469.21</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED ON 31ST MARCH, 2004**

**SCHEDULE - XIII**

**SCHEDULE - XV**

3.2003 Rs.	PARTICULARS	YEAR ENDED ON	
		31.03.2004 Rs.	31.03.2003 Rs.
	<b><u>MANUFACTURING / OPERATING EXP./UPKEEP / SERVICE &amp; FILM DISTRIBUTION EXPENSES :</u></b>		
630.00	Power & Fuel	7696109.52	4943528.02
174.42	Stores, Spares & Tools consumed	3119941.93	3013973.58
948.00	Job & Other work expenses including drawings & degingn etc.	29430199.50	20511504.75
<u>752.42</u>	Rent for machinery, vehicles & Factory shed	3898167.00	1604707.00
	Transportation Exp.	3856380.22	2752730.75
	Loading & Unloading Exp.	593150.45	175567.00
340.00	<b>Repairs &amp; Maintenance :</b>		
	a) To Machinery	1257543.40	1163345.15
578.00	b) TO Building	1335674.00	280463.00
<u>418.00</u>			
<u>34.42</u>	<b>INSURANCE EXP.</b>	146856.00	1150311.00
	Hire charges of Film	8933351.00	7880399.25
	House up keeping Exp.	1012610.50	0.00
	Linen, ware & cutlery Crockery Exp.	2209076.75	0.00
	Film purchases for Distribution	3714283.00	0.00
		<u>67203343.27</u>	<u>43476529.50</u>

**SCHEDULE - XIV**

490.85  
394.95  
383.41  
469.21

**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED ON 31ST MARCH, 2004**

SCHEDULE -XVI

PARTICULARS	YEAR ENDED ON	
	31.03.2004 Rs.	31.03.2003 Rs.
<b><u>ADMINISTRATIVE &amp; SELLING EXP. :</u></b>		
Remuneration to directors	1074000.00	930000.00
Rent, Rates & Taxes	1234774.00	1541235.35
Telephone, Telex & Postage	2625551.03	2317202.98
Travelling & Conveyance exp.	6578270.06	5768719.08
Legal, Consultancy, retainership professional & arbitration exp.	3901908.20	2531341.00
General repairs	584555.00	413856.88
Vehicle running & Maint.	3213748.90	3318545.06
Misc Exp.	4854287.55	3465354.00
Audit Fee's	124760.00	79200.00
Charity & Donation	778251.00	0.00
Advertisement / Sales promotion	1045533.22	422468.00
Tender & Sales Lessening exp.	953459.00	581410.00
Public Issue Exp. W. Off.	453547.00	453547.00
Loss on sales of fixed assets	142068.00	2687243.00
Claims/rebate	150000.00	8572268.00
Franchisee/Management Exp.	443548.00	0.00
Turnover Tax/Works Tax	28600.00	0.00
Wealth Tax	7450.00	0.00
<b>Total :-</b>	<b><u>28194310.96</u></b>	<b><u>33082390.35</u></b>

Schedule - XVII

**FINANCIAL EXPENSES :**

Bank Commission & Other Charges	5156476.11	4649511.43
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**INTEREST :**

a) Bank & Financial Institutions		
i) On Term Loan	4024605.32	94318.73
ii) To others including private parties	7010254.45	7935038.25
	<b><u>16191335.88</u></b>	<b><u>12678868.41</u></b>

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31.03.2004 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

LE -XVI

SCHEDULE - XVIII

3.2003  
Rs.

**NOTES TO THE FINANCIAL STATEMENTS :**

100.00  
235.35  
202.98  
19.08  
41.00  
56.88  
45.06  
54.00  
00.00  
0.00  
68.00  
10.00  
47.00  
43.00  
68.00  
0.00  
0.00  
0.00  
90.35

**1. 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 payable to the electricity board which are accounted for on acceptance and other claims accounted for receipt/payment basis, In view of uncertainty involved.

**ii) FIXED ASSETS AND DEPRECIATION :**

- a) Fixed Assets (Other than land & Building, plant & machinery of the company which has been re-valued and stated at the revalued figures) are stated at cost net of cenvat less accumulated depreciation. Cost of acquisition/ construction is inclusive of freight, duties, taxes and incidental/preoperative expenses till commencement of commercial production attributable to the fixed assets.
- b) The depreciation has been provided on straight line method of depreciation at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956 except on assets used in Engg. Div. Which is on written down value method.
- c) Depreciation is not provided during the year in respect of assets sold, discarded etc. during the year.
- d) Depreciation is calculated on pro-rata basis from the date of additions except on assets of Engg. Division which are depreciated for a full year.
- e) Accounting to lease period the amount is being written off in respect of lease hold land. Except in Engg. Division.

**iii) EXPENDITURE DURING CONSTRUCTION PERIOD :**

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

**iv) INVENTORIES :**

- a) Construction material, : At cost (FIFO method)
- Raw material, Stores & : Including transport and Handling cost. (Spares and Components)
- b) Process Stocks : Direct cost i.e. raw material labour cost and other appropriate share of overhead etc. on estimated basis of job done.
- c) Finished Goods :
- i) Finished goods : At contracted rates/selling price (Fabricated Goods).
- ii) Others (Finished Goods) : At cost or net realisable value goods which ever is lower.
- d) Stock of operating supplies i.e. crockery, cutlery, glassware, utensils, linen etc. in circulation are written off as and when issued from the stores and balance stock at the year end has been value at cost or net releasible value whichever is lower.

**v) Lease rental :**

Land lease charge are accounted for on accrual basis.

**vi) FOREIGN CURRENCY TRANSACTION :**

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

**vii) TURNOVER OF FABRICATED GOODS :**

**ENGINEERING DIVISION :**

- a) In respect of contracts where full payments are not received on suppliers of fabricated goods then sales/

- XVII

11.43

18.73

38.25

18.41

receipts are accounted for in the year of completion of contract, till then suppliers of fabrication goods are treated as work in progress. Such work in process are valued at contracted price less retention amount. However, in contracts, where full payments are received after adjusted 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/invoices acknowledged and paid by the project authorities.

viii) **REVENUE RECOGNITION :**

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

ix) **INVESTMENTS :**

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

x) **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.

xi) **RESEARCH & DEVELOPMENT :**

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

xii) **EXCISE DUTY**

Excise duty is net of cenvat claimed in the year on purchases of raw material and stores.

xiii) **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 or reversal in one or more subsequent periods.

2. Contingent Liabilities not Provided For :

	(Rs. In Lacs)	
	As At 31.3.2004	As At 31.3.2003
i) Guarantees given by the bank on behalf of the company.	2383.00	1127.58
ii) Latter of credits accepted	502.26	75.66
iii) Claims against the Company not acknowledged as debt (excluding labour and other cases where amount not ascertainable) including counter claims of project Authorities.	66.32	66.32
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 at before appropriate authorities.	56.83	114.04
2. Estimated amount of contracts remaining to be executed on capital account and not provide for Rs. 56.28 lacs (Rs. 43.37 lacs) net of a dances.		
3. Claims raised by the Company with various project authorities/others amounting to Rs. 2008.59 Lacs (Rs. 2028.59 lacs in previous year), against these claims, the company has received arbitration awards of Rs. 612.10 lacs (Previous year Rs. 612.10 lacs). In accordance with past practice, the Company has not made adjustment because the same can not become rule of the court due to the objections filed by Project Authorities/Others.		
4. The Debit and Credit balance appearing in the Balance Sheet are subject to confirmation.		

are Jnt. : is  by  ns.  ch  are  the  the or  3 8 6 2 4  ics  Rs. 10 ent	5.	Payments to auditors Including Branches Auditors :	(Rs. in Lacs)	2004	2003
				1.25	0.89*
		Audit Fees		-	0.08
		Other Services		0.28	0.00
		Out of Pocket Expenses		<u>1.53</u>	<u>0.97</u>
		* Rs. 0.10 lacs capitalised in (Previous year) Audit fees includes service tax of Rs. 0.10 lacs (Previous year Rs. 0.08 lacs)			
	6.	Remuneration to Directors :	(Rs. in Lacs)	2003-2004	2002-2003
		a) Managerial Remuneration U/s/198 of the Companies Act. 1956		10.74	9.30
		i) Salaries & Constancy		0.60	1.08
		ii) Perks and benefits (Includes in misc. Exp.)		<u>11.34</u>	<u>10.38</u>
		b) No Commission was paid to the Directors			
	7.	Sundry Creditors includes Rs. 0.24 lacs (Previous year Rs. 1.24 Lacs.) Belongs to small scale and ancillary undertaking to the extent such parties have been identified from available information, who 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 i& to who the Company owes more than Rupees One Lack Outstanding for more than 30 days as at 31.03.2004 are :-			
		Nil			
	8.	<b><u>Earning Per Shares (E. P. S.)</u></b>		2004	2003
		a) Calculation of weighted average number of equity Shares of Rs. 10 each			
		No. of shares at the beginning of the year		5619115	5619115
		b) Net Profit after Tax available for equity share holders (Rs.)		40900818	32865645
		c) Basic and diluted earning per Share (Rs.)		7.28	5.85
	9.	<b>Segment Reporting Policies :</b>			
		<b>Identification of Segment :</b>			
		<b>a) <u>PRIMARY SEGMENT : BUSINESS SEGMENT</u></b>			
		The Company's operating business are organized 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 & Film districution for exhibition (Entertainment) in Multiplex Division and Hotel cum revolving restaurant.			
		<b>b) <u>SEGMENT REVENUE &amp; EXPENSES :</u></b>			
		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.			
		<b>c) <u>SEGMENT ASSETS AND LIABILITIES :</u></b>			
		Segmentassets 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 reptorted as direct off sets in the balance sheet segment. Liabilities includes all operating Liabilities and consist principally of creditors & accrued liabilities. The assets/ liabilities directly attributed to individual segments. The deferred income tax and liabilities/ assets of other segments are taken in Engg. division.			
		<b>d) Inforamtion about business segments.</b>			



(Rs. in Lacs.)

PARTICULARS	Engineering Division		Multiplex Division		Hotel & Restaurant Division		Other	Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Previous Year	Current Year	Previous Year
<b>Segment Revenue :</b>									
External Sales/Income	2684.90	2987.37	308.73	219.40	123.16	0.00	0.00	3116.79	3206.77
Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00
<b>Total Revenue</b>	<b>2684.90</b>	<b>2987.37</b>	<b>308.73</b>	<b>219.40</b>	<b>123.16</b>	<b>0.00</b>	<b>0.00</b>	<b>3116.79</b>	<b>3206.77</b>
<b>Segment Results :</b>									
Unallocated Expenses (Net)	492.42	348.66	84.64	58.57	(12.23)	0.00	0.00	564.83	407.26
Operating Profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Exp.	492.42	348.66	84.64	58.57	(12.23)	0.00	0.00	564.83	407.23
Interest Income	120.24	110.04	21.50	16.75	20.19	0.00	0.00	161.93	126.79
Income Tax Current	28.01	23.29	0.00	0.00	0.00	0.00	0.00	28.01	23.29
Deferred Tax Liab. Assets	28.20	0.00	0.00	0.00	0.00	0.00	0.00	28.20	25.00
Assets	6.30	0.00	0.00	0.00	0.00	0.00	0.00	6.30	49.90
<b>Net Profit</b>	<b>378.29</b>	<b>261.91</b>	<b>63.14</b>	<b>41.82</b>	<b>(32.42)</b>	<b>0.00</b>	<b>0.00</b>	<b>409.01</b>	<b>328.66</b>
<b>Other Information</b>									
Segment Assets	2936.73	2195.80	496.61	447.66	1636.80	1134.68	0.00	5070.14	3778.14
Inter Branches	1235.90	855.45	(122.12)	0.00	(1113.77)	0.00	0.00	0.00	855.45
Unallocated Assets (Def. Assets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets</b>	<b>4172.63</b>	<b>3051.25</b>	<b>374.49</b>	<b>447.66</b>	<b>523.03</b>	<b>1134.68</b>	<b>0.00</b>	<b>5070.14</b>	<b>4683.49</b>
<b>Segment Liabilities :</b>									
Share Capital	561.91	561.91	0.00	0.00	0.00	0.00	0.00	561.91	561.91
Reserve	1950.31	1582.39	105.18	42.03	(32.42)	0.00	24.90	2023.07	1649.32
Secured and Unsecured Loan	520.49	362.99	246.87	263.37	364.40	326.91	0.00	1131.76	953.27
Segment Liabilities Unallocated	1041.83	389.67	22.44	15.03	191.03	79.54	0.00	1255.30	484.25
Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	25.00	0.00	25.00
Deferred Tax	98.09	154.29	0.00	0.00	0.00	0.00	(49.90)	98.09	104.39
<b>Total Liabilities</b>	<b>4172.63</b>	<b>3051.25</b>	<b>374.49</b>	<b>320.43</b>	<b>523.03</b>	<b>406.45</b>	<b>0.00</b>	<b>5070.13</b>	<b>3778.14</b>
Capital Expenditure	74.53	79.55	21.13	8.86	522.97	311.24	0.00	618.63	399.65
Depreciation	64.55	77.60	37.15	32.39	17.42	0.00	0.00	119.12	109.99
Amortisation	4.54	4.54	0.00	0.00	0.00	0.00	0.00	4.54	4.54
Non Cash Expenses Other than Depreciation	17.14	16.70	0.00	0.00	0.00	0.00	0.00	17.14	16.70

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8.00

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7.26

0.00

7.23

6.79

3.29

5.00

9.90

3.66

3.14

5.45

0.00

3.49

1.91

3.32

3.27

1.25

5.00

1.39

3.14

0.65

0.99

1.54

0.70

10) **RELATED PARTY DISCLOSURES :**

During the year, the company entered into transactions with the related parties. Those transactions alongwith related balance as at 31st March 2004. and for the year then ended are presented in the following tables.

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

## a) Associates, over which key management personnel is able to significant influence.

**NAME OF PARTY / COMPANY****A) WHERE THE CONTROL EXISTS**

1. Om Structural India (P) Ltd.
2. Om Rajasthan Carbide Ltd.
3. Jupiter Metals (P) Ltd.
4. Om Kothari Cement & Chemicals (P) Ltd.
5. Om Kothari Steel & Alloys Ltd.
6. Richa Builders (P) Ltd.
7. Sah Buildcon (P) Ltd.
8. Lamboder Finvest (P) Ltd.
9. Om Kothari Enterprises Limited

**B) OTHER RELATED PARTIES :**

1. Jupiter Mfg. Co. (P) Ltd.
2. Benzer Agencies Ltd.
3. Om Kothari Pariwarik Trust
4. Om Kothari Foundation
5. Om Power Corp. Limited
6. Well Wisher Construction & Finance (P) Limited.

**Nature of Transaction :**

(Rs. in Lacs)

	Current Year	Previous Year
Purchases of finished & other goods	40.32	55.37
Purchases / advance of fixed assets	5.35	20.42
Sales of Fixed assets / advances	29.47	0.00
Advance received ag. sales of flat	37.00	0.00
Service / expenses	116.64	100.27
Income / Rent reced.	0.24	0.00
Rent paid	11.03	13.67
Security deposit	0.00	0.00
Investment made	0.00	17.50
Investment sales	49.10	0.00
Out standing Balance at the year end		
i) Advance ag. fixed assets	5.51	0.00
ii) Receivable (Debtors)	66.61	4.31
iii) Payable (Creditors)	39.39	8.01
iv) Advance receive ag. sales of F.A.	37.00	38.94
v) Security deposit for premises	51.00	51.00
iv) Investment	94.95	144.05

**B) KEY MANAGEMENT PERSONNEL**

Shri T. C. Kothari  
Shri C. P. Kothari  
Shri D. P. Kothari  
Shri P. C. Jain

**C) RELATIVES OF KEY MANAGEMENT PERSONNEL**

Shri Vivek Kothari  
Smt. C. Manjula Kothari  
Smt. D. Manjul Kothari  
Seema Kothari  
Smt. Anita Kothari  
Shri Sunil Kothari  
Vikas Kothari

**TYPE OF TRANSACTION :**

	(Rs. in Lacs)	
	Current Year	Previous Year
Remuneration to Directors & Chairman	10.74	9.30
Other Perks	0.60	1.08
Consultancy to Directors	1.31	0.00
Hire of premises		
- Rent Paid	5.30	6.92
- Security Deposit given	55.00	0.00
Salary to relatives :	1.32	0.00
Balance outstanding as at the year end		
- Security Deposits for premises hired	88.00	33.00

11. In the Opinion of Board of directors, provisions of all known liabilities have been made and current assets and advances so stated, have been taken at a value atleast equal, realisable to in the ordinary courses of business.

12. **COMPLIANCE OF ACCOUNTING STANDARD AS 2 :**

The company could not comply the provision 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 as per AS 2 and as adopted by the company could not be given.

13. Sundry debtors includes dues in related parties in which directors are interested.

Name of Firm	Maximum Balance	(Rs. in Lacs)
		O/s. 31.03.2004
Jupiter Metals (P) Ltd.	40.47	24.75
Jupiter Mfg. (P) Ltd.	8.34	8.34
Om Gases & Chemicals	43.72	33.54

14. Balance with other banks

Name of Firm	Maximum Balance	(Rs. in Lacs)
		O/s. 31.03.2004
HDFC Bank	155.76	155.76
ABN AMBRO BANK	50.31	1.02
City Bank	0.53	(-) 0.16
Nagrik Sambhav Bank Ltd.	Nil	0.01
Bank of Bhutan	Nil	0.05

15. Security and earnest money includes related parties in which directors are as under :-

Name of Firm	Maximum Balance	O/s. 31.03.2004
OSIP Limited	25.00	25.00
Om Kothari Pariwarik Trust	26.00	26.00
Shri C. P. Kothari	10.00	10.00
Shri D. P. Kothari	5.00	5.00
Smt. C. Manjula Kothari	10.00	10.00
Smt. D. Manjula Kothari	10.00	10.00
Smt. Seema Kothari	5.00	5.00
Smt. Anita Kothari	10.00	10.00
Shri Aunil Kothari	5.00	5.00

16. As the company operates the hotel, it is not practical to given the quantitative wise details in respect of purchases, consumption, turnover and stock etc.
17. 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
- a) 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.
- b) Other Additional information

		(Rs. in Lacs)	
		Current Year	Previous Year
i)	<b><u>C. I. F. VALUE OF IMPORTS :</u></b>		
	Raw Material	136.14	41.93
	Capital Goods	-	0.00
ii)	<b><u>EXPENDITURE OF FOREIGN CURRENCY :</u></b>		
	Capital	Nil	Nil
	Others	2.05	Nil
iii)	Income of foreign Currency	Nil	Nil
iv)	<b><u>VALUE OF RAW MATERIAL &amp; STORES AND COMPONENTS CONSUMED :</u></b>		
a)	<b><u>RAW MATERIAL</u></b>		
	Imported	136.14	41.93
	Indigenous	1627.12	1058.30
	<b>Stores &amp; Spares &amp; Componments</b>		
	Imported	0.00	0.00
	Indigenous	30.24	30.14

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

**SIGNED FOR IDENTIFICATION**

For **M. C. BHANDARI & CO.**  
Chartered Accountants

For **OM METALS & MINERAL LTD.**

**T. C. KOTHARI**  
Chairman

**(S. K. Mahipal)**  
Partner  
38, Shopping Centre  
Jhalawar Road  
Kota - 324007  
Place : Kota

**(C. P. KOTHARI)**  
Managing Director

Dated : 16.08.2004

**(D. P. KOTHARI)**  
Director

**BALANCE SHEET ABSTRACT AND COMPANY'S CURRENT BUSINESS PROFILE**

i) <b><u>REGISTRATION DETAIL :</u></b>		
Registration No.		17-3414
		Sate Code17
Balance Sheet Date		31st March 2004
ii) <b><u>CAPITAL RAISED</u></b>		(AMT. IN RS. 000)
Public Issue		Nil
Right Issue		Nil
Bonus Issue		Nil
Private Placement (Promoter's Contribution)		Nil
iii) <b><u>POSITION OF MOBILISATIOJN &amp; DEPLOYMENT OF FUNDS :</u></b>		
Total Liabilities		507014
Total Assets		507014
<b><u>SOURCE OF FUNDS</u></b>		
Paid up Capital		56191
Reserves & Surplus		202307
Secured Loan		111613
Unsecured Loan		1566
Deferred Tax Liabilities		9809
		<u>381486</u>
<b><u>APPLICATION OF FUNDS</u></b>		
Net Fixed Assets including W. I. P.		269873
Investments		9574
Net Current Assets		101804
Misc. Expenditure		235
		<u>381486</u>
IV <b><u>PERFORMANCE OF THE COMPANY</u></b>		
Turnover		311679
Total Expenditure		268588
Profit before Taxes		43091
Profit After Taxes		40901
Earning Per Share (In Rs.)		7.28
Dividend Rate		5%
V. GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICE OF THE COMPANY (As per Monetary terms)		
Item Code		Not Available
(ITC Code)		i) Fabrication and Erection of Dam Gates/ Hoists/Cranes of irrigation & Power projects.
		ii) Entertainment (Multi plex)
		iii) Hotelier

(T. C. KOTHARI)  
Chairman

(C. P. KOTHARI)  
Managing Director

For OM METALS & MINERAL LTD.

(D. P. KOTHARI)  
Director

Place : Kota  
Dated : 16.08.2004

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2004**

<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit After Depreciation	43090553.96
<b>ADD :-</b>	
Depreciation	11911346.97
Interest and Bank Commission Paid	16191335.88
Loss on sale of fixed assets	142066.00
Public issue Exp. W. off	453547.00
	<u>7178851.61</u>
<b>LESS:-</b>	
Interest Receipt	2800602.80
Profit on sale of Investment	40864.00
	<u>2841466.80</u>
Operat Profit Before Work Cap. Changes	68947385.01
<b>ADJUSTMENT FOR</b>	
Trade & Other Receivables	-14226821.77
Inventories	-50103411.86
Loans and Advances	-10571007.57
Trade Payables	-2531418.58
Other Payables	80991477.59
	<u>72506202.82</u>
<b>ADD :-</b>	
Interest & Bank Commission Paid	-16191335.88
Direct Taxes Paid	-1469373.40
Provision of Gratuity & Leave	43774.00
Cash Gen. From Operating Activities	54889267.54
	<u>54889267.54</u>
	( A )
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchases of Fixed Assets	-130064018.55
Decease in Capital Wip Advances	66810624.57
Investment Sold	5050614.00
Sale of Fixed Assets	12561248.86
Interest Recd.	2800602.80
	<u>-42840928.32</u>
	( B )
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>	
Secured Loan as Term Loan	28192487.16
Secured Loan As work Cap.	23829746.07
Unsecured Loan	-34171284.53
Interim Dividend & Tax	-3177000.00
Issue of Share Capital	0.00
Share Premium	0.00
	<u>14673948.7</u>
	( C )
	<u>17614721.93</u>
<b>OPENING CASH &amp; OTHER EQUIVALENTS AS ON 01-04-2003</b>	
<b>ADD:-</b>	
(A) Cash Flow From Operating Activities	54889267.54
(B) Cash Flow From Investing Activities	-42840928.32
(C) Cash Flow From Financing Activities	14673948.70
<b>Closing Cash &amp; Other Equivalents as On 31-03-2004</b>	<b>44337009.85</b>



**OM METALS & MINERALS LTD.**

Regd Office : 30-31, New Grain Mandi, Kota-324007 (Rajasthan)

**ATTENDANCE SLIP**

**32nd Annual General Meeting**

**Saturday, 25th September, 2004 at 11.00 A. M.**

Registered Folio No./Demat Account No. (Client ID).....

DP ID No.....

Name & Address of Shareholder.....

Number of Shares Held.....

I/we hereby record my/our presence at the 32nd Annual General Meeting of the Company at 30-31, New Grain Mandi, Kota on Saturday, 25th September, 2004 at 11.00 A. M. Certify that I am a registered shareholder of the Company and hold..... shares.

**Shareholder's/Proxy's Signature**

**Important :**

1. Shareholder or proxy holder attending this meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled and signed.
2. Shareholders and Proxy holders are requested to bring their copy Notice for reference at the meeting.

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**PROXY FORM**

**OM METALS & MINERALS LTD.**

Regd Office : 30-31, New Grain Mandi, Kota-324007 (Rajasthan)

Registered Folio No./Demat Account No. (Client ID).....

DP ID No.....

Name & Address of Shareholder.....

Number of Shares Held.....

I/we..... of..... in the District

of..... being a member / Members of **OM METALS & MINERALS LTD.**,

hereby appoint..... of.....

or failing him..... of..... or

failing him..... of..... as my/our proxy to

vote for me/us and on my/our behalf at the 32 Annual General Meeting of the Company to be held on Saturday, 25th September, 2004 at 11.00 A.M. or any adjournment thereof.

Signed this..... day of..... 2005



**Note :**

1. In order to be effective, the proxy form should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting. The proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

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