



## CONTENTS

Message from the Chairman

Financial Snapshot

Director's Report

Management Discussion and Analysis

Shareholders' Information



**OM METALS INFRAPROJECTS LTD.**



## OM METALS INFRAPROJECTS LIMITED

Regd. Office: Om Towers, Church Road, M I Road, Jaipur – 302 001

### NOTICE

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of Om Metals Infraprojects Limited will be held on Saturday, 29<sup>th</sup> September, 2007 at 11.00 A.M at **Om Towers, Church Road, M I Road, Jaipur – 302 001** 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 2007 and the Profit & loss Account for the year ended on 31<sup>st</sup> March 2007 together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Dr. T.C. Kothari, who retires from office by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Ghan Shyam Gupta, who retires from office by rotation and being eligible, offers himself for re-election.
4. To confirm Interim Dividend as final dividend.+
5. 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 travelling 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 travelling and other out of pocket expenses.”

### SPECIAL BUSINESS

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

“**RESOLVED THAT** pursuant to the provisions of Section 314(1)(b) of the Companies Act, 1956, consent of the company be and is hereby accorded to Mr. Bharat Kothari relative of Sh. T.C. Kothari, Director of the Company, to hold an office or place of profit as Executive – Projects, as an employee in the management cadre of the company on a basic salary of Rs. 40000 together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits, and that the directors be and are hereby authorised to grant from time to time to Mr. Bharat Kothari, such increment or increments as the Directors may, in their discretion think fit but so that his consolidated salary and perks shall not exceed Rs. 50,000 p.m., with effect from 1<sup>st</sup> Oct. 2007.”
7. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:



**“RESOLVED THAT** pursuant to the provisions of Section 314(1)(b) of the Companies Act, 1956, consent of the company be and is hereby accorded to Mr. Vivek Kothari relative of Sh. T.C. Kothari and Sh. C.P. Kothari, Directors of the Company, to hold an office or place of profit as Executive – Hotel Om Tower, as an employee in the management cadre of the company on a basic salary of Rs. 35,000 together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits, and that the directors be and are hereby authorised to grant from time to time to Mr. Vivek Kothari, such increment or increments as the Directors may, in their discretion think fit but so that his consolidated salary and perks shall not exceed Rs. 50,000 p.m., with retrospective effect from 1<sup>st</sup> April 2006.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 314(1)(b) of the Companies Act, 1956, consent of the company be and is hereby accorded to Mr. Vikas Kothari relative of Sh. T.C. Kothari and Sh. D.P. Kothari, Directors of the Company, to hold an office or place of profit as Executive – Business Development as an employee in the management cadre of the company on a basic salary of Rs. 40000 together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits, and that the directors be and are hereby authorised to grant from time to time to Mr. Vikas Kothari, such increment or increments as the Directors may, in their discretion think fit but so that his consolidated salary and perks shall not exceed Rs. 50,000 p.m., with effect from 1<sup>st</sup> Oct. 2007.”

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

**“RESLOVED THAT** the company hereby approves and ratifies the action of the Board of Directors in approving revision in remuneration of Shri C.P. Kothari, Managing Director and the Board be and is hereby authorised to grant such increment or increments as the Directors may, in their discretion think fit but not exceeding Rs. 2,25,000 p.m., in the following manner :

Salary : upto Rs. 2,25,000 p.m.

Perquisites: Perquisites like accommodation, gas, electricity, water and furnishings, club fees, personal insurance, use of car with chauffeur and telephone at residence or reimbursement of expenses in lieu thereof, payment of Income-tax on perquisites by company to the extent permissible under the Income-tax Act; medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund, gratuity and other retirement benefits.

Other Terms:

1. He shall be entitled to reimbursement of actual out-of-expenses, including but not limited to travelling, incurred in connection with business of the company.
2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company

**RESOLVED FURTHER THAT** in the event of any further authorisation / revision in the levels of permissible limits, the Board of Directors be and are hereby authorised to alter, vary and increase the remuneration of Sh. C.P. Kothari, not withstanding the overall remuneration set out above, as may then be required / permissible without requiring any further resolution or consent of or reference to the general meeting.”

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

**“RESLOVED THAT** the company hereby approves and ratifies the action of the Board of Directors in approving revision in remuneration of Shri D.P. Kothari, Whole-time Director and the Board be and is



hereby authorised to grant such increment or increments as the Directors may, in their discretion think fit but not exceeding Rs. 2,25,000 p.m., in the following manner :

Salary : upto Rs. 2,25,000 p.m.

Perquisites : Perquisites like accommodation, gas, electricity, water and furnishings, club fees, personal insurance, use of car with chauffer and telephone at residence or reimbursement of expenses in lieu thereof, payment of Income-tax on perquisites by company to the extent permissible under the Income-tax Act; medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund, gratuity and other retirement benefits.

Other Terms:

1. He shall be entitled to reimbursement of actual out-of-expenses, including but not limited to travelling, incurred in connection with business of the company.
2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company.

**RESOLVED FURTHER THAT** in the event of any further authorisation / revision in the levels of permissible limits, the Board of Directors be and are hereby authorised to alter, vary and increase the remuneration of Sh. D.P. Kothari, notwithstanding the overall remuneration set out above, as may then be required / permissible without requiring any further resolution or consent of or reference to the general meeting.”

**Date: 16.08.2007**

**Place: Jaipur**

**Regd. Office:** Om Towers, Church Road

M I Road, Jaipur-302 001

Rajasthan

**By order of the Board**

Sd/-

**(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) Relevant details in respect of item no. 2 & 3 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.



## OM METALS INFRAPROJECTS LTD.

- 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.
- 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 2006-07 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 27.09.2007 to 29.09.2007 (both days inclusive)

### **REGISTRAR & SHARE TRANSFER AGENTS:**

M/s Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar

New Delhi-110024

Tel: 011-29833777,29847136

Fax: 011-29848352

E-mail: skyline\_fspl@rediffmail.com



**ANNEXURE TO NOTICE**

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

**ITEM NO 6, 7 & 8**

Mr. Bahart Kothari, Mr. Vivek Kothari and Mr. Vikas Kothari, relatives of the Directors of the company are graduates of Engineering and have enough Qualification and experience to be appointed in the Management Cadre of the company.

None of the directors except Sh. T.C. Kothari, Sh. C.P. Kothari and Sh. D.P. Kothari may be considered to be interested in the Special Resolutions mentioned in Item No. 6, 7 & 8.

**ITEM NO. 9 & 10**

In terms of the provisions of the Articles of Association of the Company, the Board of Directors in their meetings approved the revision in remuneration of Sh. C.P. Kothari, Managing Director and Sh. D.P. Kothari, Whole-time Director as per the details mentioned in the resolution.

None of the Directors, except Sh. C.P. Kothari and Sh. D.P. Kothari are interested or concerned in the above resolution.

**Details of Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting to be held on 29<sup>th</sup> September 2007**

<b>Name</b>	<b>Shri T.C. Kothari</b>	<b>Shri Ghan Shyam Gupta</b>
Date of Birth	11.06.1924	07.06.1945
Appointed on	01.10.1994	15.12.2005
Qualifications	P.Hd.	B.E.
Expertise in specific functional areas		Technical & Engineering
Directorships held in other public companies *	Nil	Nil
Memberships/chairmanships of committees across Public Companies	Chairman of Shareholders' Grievance Committee	Nil
Shareholding in the Company. (No. of Shares)	865400	-

\* Directorships in foreign companies, alternate directorships, directorship in private companies and membership in governing councils, chambers and other bodies not included.

**Date: 16.08.2007**

**Place: Jaipur**

**Regd. Office:** Om Towers, Church Road  
M I Road, Jaipur-302 001  
Rajasthan

**By order of the Board**

Sd/  
**(Dr. T. C. Kothari)**  
**Chairman**



## Director's Report

To the members,

We are delighted to present our report on the business and operations of the company for the year ended 31st March 2007.  
(Rs. In Lacs)

Particulars	Year Ended March 31,		
	2007	2006	Growth %
	Audited	Audited	
Sales & Other Income	9608.89	8281.96	16.0%
Operating Profit (EBITDA)	3421.12	2982.75	14.7%
Financial Charges	459.33	238.77	92.4%
Depreciation	324.99	298.49	8.9%
Profit before Tax	2633.5	2445.49	7.8%
Provision for Taxes	274.61	209.09	31.3%
Profit after Tax	2358.9	2236.4	5.6%
Add : Profit brought forward from previous year	3148.13	1457.09	
Profit available for appropriation	5507.04	3693.49	
Retained Profit carried forward to the next year	5037.42	3148.13	

### Business

This year we have yet again maintained our strong growth momentum, achieving an impressive turnover of Rs. 9608 lacs for the full year ended March 31, 2007 as against Rs. 8281 lacs in the previous financial year, registering a growth of 16%.

The Company has reported a Net Profit of Rs. 2358 lacs, as against Rs. 2236 lacs in the previous year, recording a growth of 5.6%. On adjusted basis Net Profit increased by 57 % in 2007. (2006 PAT of Rs 2236 lacs included an Arbitration claim of 730 lacs) EPS for the financial year 2006-07 stood at Rs. 3.83.

During the year company allotted 2, 00, 00,000 shares at 60/share to QIB's (Qualified Institutional buyers) and also allotted 2, 01, 12,659 shares under amalgamation scheme. This increased the total shares outstanding from 561 lacs shares in 2006 to 963 lac shares in 2007.

### Divisional Analysis

#### Engineering Division

Our Engineering Division focuses on Hydro mechanical equipment for Hydro Power and Irrigation projects. The engineering division turnover increased by 18% in 2006-07 to 87.8 cr from 74.4 cr last year.

We have a large share in the Indian Hydro mechanical space with an unexecuted order book size of Rs 665 crores. We are currently bidding for projects worth 450 and expect to achieve an order book worth 1000 crores by 2008/09. The company bagged Uri II and Teesta projects in May 2007 valued at 450 crores.

#### Hotels and Multiplex

The turnover from our flagship hotel in Jaipur ' Hotel Om Tower' increased to 6.12 cr from 5.04 cr and profit doubled from 0.7 cr in 2005-06 to 1.58 cr this year. We expect the growth to continue in future years buoyed by increasing domestic and international tourism.

#### Amalgamation

In 2007, the consolidation of assets of six transferor companies was completed.





### **Liquidity**

We maintain sufficient cash to meet operational and strategic objectives. Liquidity in the balance sheet needs to balance between earning adequate returns and the need to cover financial and business risks. Our strong cash flows enable us to manage this. As on March 31, 2007, we had liquid assets including investments in term deposits and liquid funds of Rs. 130.20 crores.

### **Dividends**

Your company declared 20% Interim Dividend in the month of March 2007. Your Directors recommends interim dividend as final dividend subject to the approval of the Members.

The dividend pay out for the year under review is in accordance with the Company's policy of consistent dividend keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum.

### **Subsidiaries**

All infrastructure interests of Om Metals Infraprojects Ltd have been transferred to a new 100% subsidiary called 'Om Metals Real Estate Pvt Ltd'.

### **Directors**

Dr T C Kothari and Mr. Ghanshyam Gupta retires from the Board of Directors by rotation and are eligible for re-appointment.

### **Auditors**

M/s. M. C. Bhandari & Co. Chartered Accountants, Kota Statutory Auditors of the company, 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.

### **Listing**

The Equity Shares of the Company are listed on Mumbai Stock exchange. Listing fees of Mumbai Stock Exchange for the current year has been duly paid.

### **Directors Responsibility Statement**

Your Directors confirm:

- (i) That in the preparation of account for the period ended March 31, 2007, 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,



## OM METALS INFRAPROJECTS LTD.

- (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, 2007 are on a going concern basis.

### **IT**

The entire organization at OM Metals is IT enabled. We are in the process of deploying Enterprise Resource Planning (ERP) solution through BAAN. For this, the company has already incurred expenditure of Rs.25 lacs.

### **Human Resource Management**

Your company acknowledges the contribution of its dedicated employees and the spirit of commitment, harmonization and partnership demonstrated by them in realizing the company's vision. For the company the employees are its first customer that it has to satisfy. The company has taken initiative to ensure its employees gain utmost work satisfaction across all division of the company. The company also organize regular formal and informal interactions for the employee and their family.

### **Internal Control System and their Adequacy**

The company has a well defined internal control system and it's adequate and commensurate with the size and nature of the business. Clear roles, responsibilities coupled with internal information system which ensures appropriate information flow to facilitate effective monitoring. Adequate controls are established to achieve efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. An exhaustive program of internal audits including all branches of the company all over India. Review by management and documented policies guidelines and procedures supplement internal control system

### **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.

### **Joint Ventures & Subsidiaries**

Hydro-power projects at Goshikurd, Maharashtra and Largi, Himachal Pradesh in Joint venture with Subhash Project & Marketing Pvt. Ltd. are running in full swing.

During the year under review, work contracts for Teesta and Uri II are secured from NHPC in Joint Venture with Subhash Project & Marketing Pvt. Ltd.

Company's subsidiary named "Om Metals Auto Pvt Ltd" for its automobile dealership business is doing good business and Financial Statements of the subsidiary co. along with directors Report and statement pursuant to section 212 of the companies Act 1956 are attached.

### **Consolidated Financial Statements**

As required under Clause 49 of the listing agreement with stock Exchanges, the consolidated financial statements of the Company (including therein Audited Annual Accounts as at 31st March 2007 of its subsidiary 'Om Metals Auto Pvt Ltd', are attached with annual accounts of the Company. The investment in subsidiary like Om Metals ratnakar Pvt Ltd and Om Metals Real Estate Pvt Ltd and SPV's/JV's like Om Metals consortium, Om Metals Infotech Pvt Ltd, Om Metals Developer Pvt Ltd., Murthal Tanks and Vessels Pvt Ltd, Pondicherry Port Ltd, Pondicherry SEZ co.Ltd have been treated accordingly. These statements have been prepared in compliance with requirements of Accounting Standard 21 on 'Consolidated Financial Statements'.

### **Fixed Deposits**

Your Company has no unclaimed/ unpaid or overdue deposit, during the year under report.



## **Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo**

### **Acknowledgements**

Your Directors deeply appreciate the valuable co-operation and continued support extended by the Company's Bankers, Financial Institutions, Government agencies, Collaborators, Stockists, Dealers, Business Associates, and also the contribution of all employees to the Company.

### **Directors**

**Dr. T.C. Kothari**

**(Chairman)**

**Mr. C.P. Kothari**

**(Managing Director)**

**Mr. D.P. Kothari**

**Mr. Sunil Kothari**

**Mr. P.C. Jain**

**Mr. Kamal Chandwar**

**Mr. Ghan Shyam Gupta**

Regd. Office:  
Om Towers, Church Road,  
M I Road, Jaipur

On behalf of the Board of Directors,  
(Dr T C Kothari)  
Chairman

Place : Jaipur

Date : 30.06.2007

## **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 31st March, 2007.

### **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.

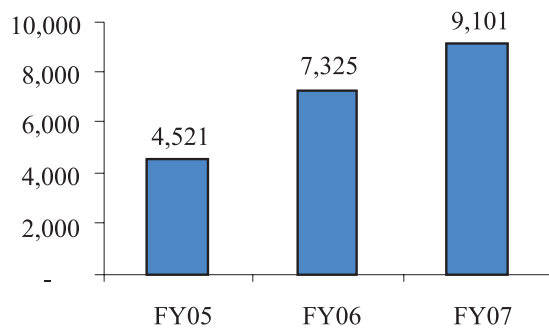
(Rs. in Lacs)

	31.03.2007	31.03.2006
i. Earning by ways of :		
(a) Exports	380.51	Nil
(b) Service	21.76	20.20
ii. Outgo by way of		
(a) CIF value of imports	Nil	Nil
(b) Traveling & Others	50.101	9.00
(c) Capital Goods	Nil	Nil

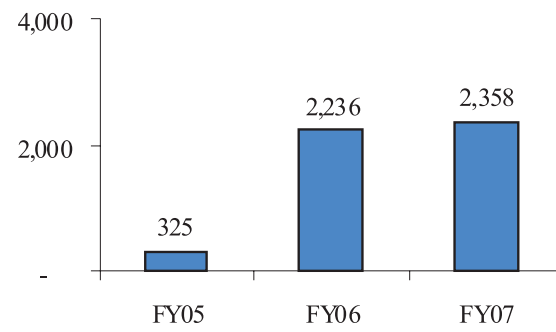


### Financial Snapshot

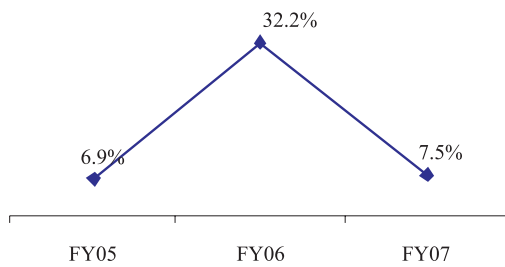
Sales (Rs. in lacs)



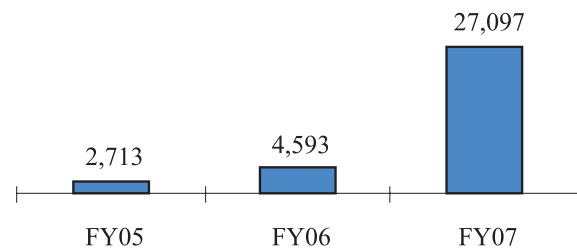
Profit (Rs. in lacs)



OML - ROCE



OML - Net Worth (Rs. lacs.)





## Management Discussion & Analysis

### Introduction

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 (the 'Act') to the extent applicable. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities, as of the date of the financial statements. These estimates are made on a prudent and reasonable basis, to reflect the true and fair view of the financial statements.

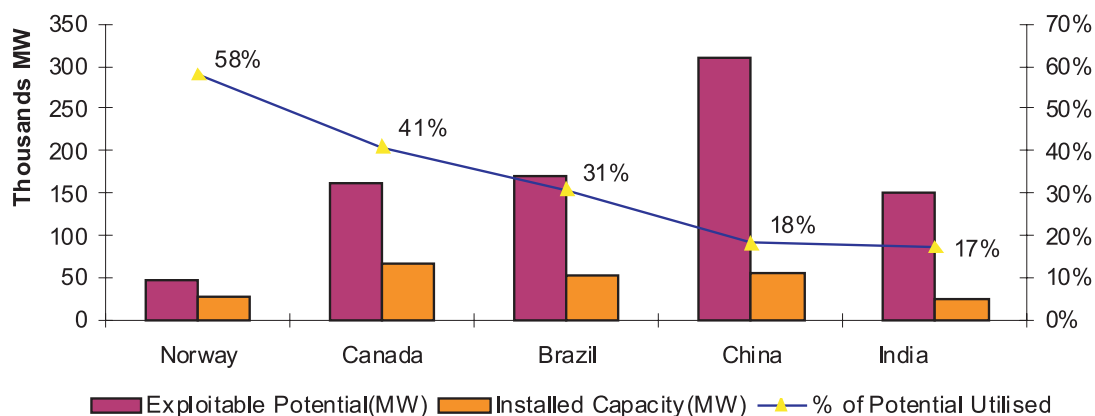
### Hydro Power Industry

Electric power is one of the most important parts of our socio economic being, touching all facets of life – commercial, residential, entertainment, critical services. It is also a critical infrastructure, which not only drives economic growth but also grows with economic development. India's demand for power has been increasing and outstripping the regular increase in power generation, transmission and distribution. According to the CEA (Central Electricity Authority), the total energy shortage during Fiscal 2006, was 52,513 million units, amounting to 8.30% of total requirements and the peak shortage was 11,422 MW, translating to 12.30% of peak demand requirements.

Hydropower is a renewable, economical, non-polluting and environmentally benign source of energy. Developing hydropower enhances energy security and there is no fuel cost during the life of the project. Its generation is unaffected by issues concerning fuel supply, particularly the volatile prices fluctuations which affect imported fuels. Hydropower stations are capable of instantaneous starting and stopping and are able to accommodate various loading alternatives. They help in improving the reliability of power systems and are ideal for meeting demand during peak times. The government has been placing special emphasis on harnessing India's hydro power.

As per the Central Electricity Authority (CEA), in terms of hydroelectric generation installed capacity as on December 1, 2006, India has only utilized approximately 19.9% of its estimated hydroelectric potential of 148,701 MW. India, therefore, is lagging behind other countries, such as Norway, Canada and Brazil, which all utilize more than 30% of their hydro potential.

Hydro Power - Potential v Installed Capacity



Source: Ministry of Power



Given the focus on hydropower we estimate that over the next ten years 25,000 MW of hydro power generation will be commissioned.. We estimate that there will be 4500 crores worth of Hydro mechanical work opportunity over the next ten years. We being the leading company in the Indian hydro mechanical segment stand to gain the most from the above.

**Real estate and Infrastructure Segment**

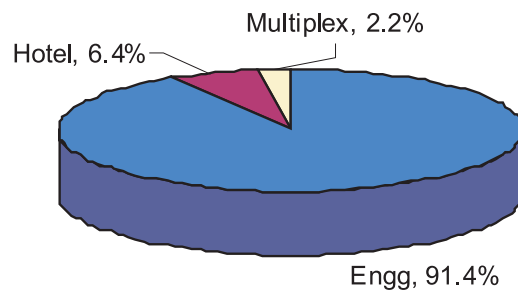
A resurgent Indian Economy growing at a rate of around 9% in Fiscal 2007, and strong commitment by the Union Government on infrastructure & urban reforms is turning the Indian Real Estate Sector into a vibrant industry.

The main demand drivers of office corporate space are led by the IT/ITES and Financial Services segments. Real estate in India is also being given a leg up by the current outsourcing boom to the Indian shores. That in fact is benefiting the Tier I and Tier II cities also, leading to firming up of their realty prices.

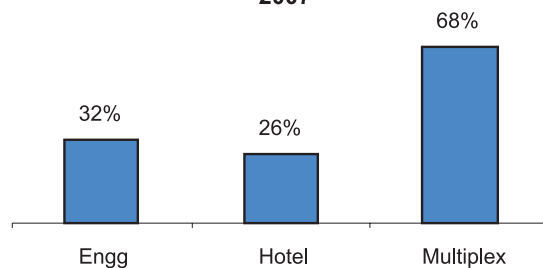
The developments in the real estate sector are being driven by demand for:

- Office premises by growing IT industry especially BPO segment
  - Multiplexes by an advancing entertainment sector;
  - Shopping malls by evolving retail segment
  - More residential units by a young and demanding Indian middle class, having more disposable income than ever before.
  - Hotels/ resorts by growing tourism industry;
  - SEZs by various sectors; and
- Better infrastructure by the growing Indian Economy through all its sectors.

**Sales by Segments - 2007**



**Segment wise Profit Margins 2007**

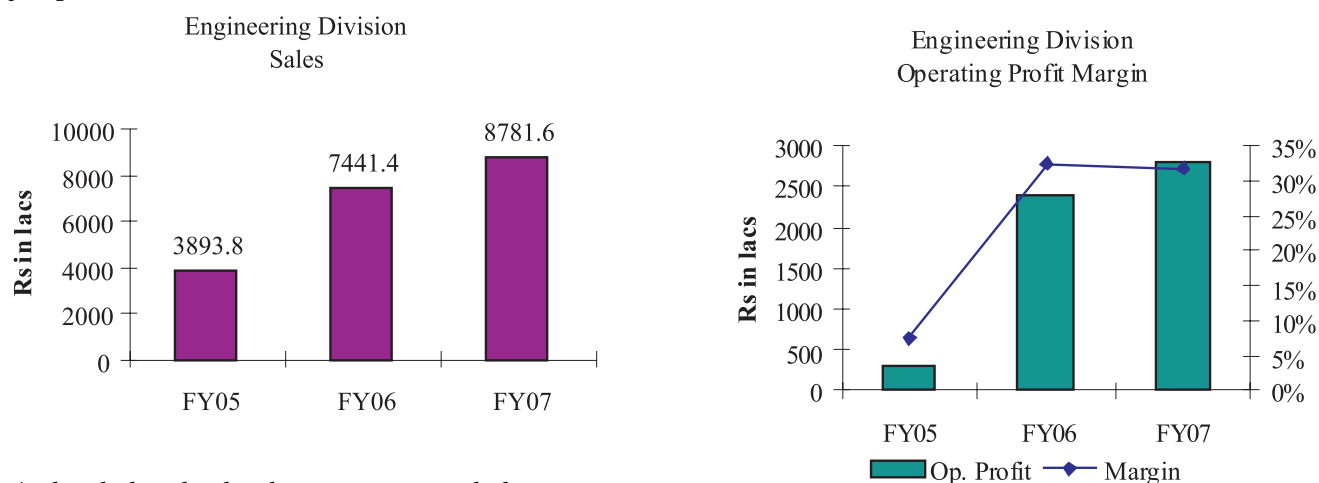




## Business Segments

### Engineering

The Engineering segment recorded a turnover of Rs 8781 lacs in the year 2006-07 as against Rs.7441 lacs in the corresponding previous year. The profit for the segment also increased from 2403 lacs last year to 2793 lacs, a jump of 16.2%.



A detailed order book status is given below.

### Order Book – Current Projects

Project Name	MW	Location	Contract value (Rs Lacs)
Gosikhurd*		Maharastra	15000
Kameng	600	Arunachal Pradesh	23600
Kol Dam	800	Himachal Pradesh	5000
Sewa	120	J & K	1900
Madhikhera*		Madhya Pradesh	1900
Karbi Langpi	100	Assam	3000
Uri II	240	J & K	5900
Teesta Low Dam IV	160	West Bengal	9800
Binh Dien	45	Vietnam	450
<b>Total</b>			<b>66550</b>

\* Irrigation Projects

With strong focus on hydro power generation by the government, we expect to exceed 1000 crore mark next year and 2000 crore by 2010.

### Manufacturing Facilities

Your company is in the process of setting up a plant at Jammu for manufacturing Hydra Gates for Hydro Mechanical Works. The Jammu unit is strategically located and will serve as a supply point to all our projects in the state of J&K & Himachal Pradesh. The proposed capacity of this plant will be 10,000MT per annum. For this purpose we have already acquired around 3 acre land in the Kathua District of J&K in the month of April.

The Union Government and the State government of Jammu & Kashmir have ushered in a host of benefits for the new industries in J&K. As per various schemes, the company will be eligible for the following exemptions:





<b>Benefit Nature</b>	<b>Benefit Brief</b>
Capital Investment Subsidy	15% of cost of Plant & Machinery, subject to Rs. 30 lacs
Feasibility Report Subsidy	100% of expenses, subject to Rs. 100 lacs
Power Tariff Subsidy	Industrial Power at a nominal Rs. 1.85 pu
DG Set Subsidy	100% of cost, subject to Rs. 25 lacs
Income Tax Exemption	Benefit u/s 80 IB available till year 2017. 100% exemption for 1 <sup>st</sup> 5 years, and 30% exemption for next years. MAT shall be payable
Term Loan Subsidy	5% Interest subsidy
Transport Subsidy	90% from nearest Rail Head
CENVAT Exemption	100% refund on duty charged on sales, excluding duty already claimed on Capital goods
CST Exemption	100% exemption till 2015
Toll Tax Subsidy	100% exemption for Raw Material,
Working Capital	Fuel, Consumables procured from outside the state
Interest Subsidy	3% Interest subsidy on Working Capital loans from Banks

Your company is also planning to commission a plant in Guwahati (Assam).

### **Other Business Interests**

Om Metals has interests in various real estate and infrastructure projects across India. We have very stringent criteria for investments in real estate projects and we look to maximise return to the company while investing in these projects.

### **Infrastructure Projects Portfolio**

The infrastructure division is steadily evolving into a dynamic business area in itself, necessitating a need for incorporating a separate subsidiary. All real estate and infrastructure interests of Om Metals Infraprojects Ltd have been transferred to a new 100% subsidiary called 'Om Metals Real Estate Pvt Ltd'. The company has entered into strategic alliances with renowned companies, and has accumulated vast land bank for nurturing your company towards even greater expansion.

The company surrendered its right in the IT Park JV for Rs. 43 crore. Om Metals has also tied up with Runwal Developers for development of the 20 acre in Hyderabad and we will receive 38% of the post constructed built up space. Our company had 38% stake in SEZ but we have signed a term sheet with a infrastructure fund for diluting our stake to 19%.The final shareholders agreement is in the pipeline. Our Bandra Project is awaiting the Letter of Intent from Slum Rehabilitation Authority on receipt of which the Slum Rehabilitation and Sellable construction will commence. The company has also acquired a 4 acre land on NH2 in a 50:50 partnership with another company for Rs. 29.93 crore. We plan to develop a corporate park on this prime land, situated strategically at Delhi-Faridabad Border. However, the Development of the Jaipur project has been delayed due to a matter pending before the Supreme Court

### **Strategies**

Om Metals is the leading player in the hydro mechanical segment. However the company is not content with garnering a majority of the market share. Our team at OML is always striving to constantly upgrade its benchmarks to meet and conquer the growing competitiveness of this segment. We will be further consolidating our position as one of India's leading hydro mechanical equipment manufacturers by securing and executing larger and more complex projects.



To cement our position in this industry, we are also looking at inorganic growth opportunities in the global arena, in order to grow and boost our international presence.

At OML, we expect to make a growing investment in real estate & infrastructure projects to enhance the shareholder value. Keeping this objective in mind, the company will invest in selected and strategically located real estate projects.

### **Risk Management**

OML has developed a comprehensive Risk Management System, across the company. The System includes, strategic and operational risk assessments, and action plans that provide a comprehensive set of reports to identify, and assist in, the management of risk. The management has initiated company-wide risk management, identification and reporting exercise, which incorporates risk management into everyday organisational management. Exception and trend analysis is directly reported to Executive Management and the Audit Committee.

### **OPTION I**

#### **Fundamentals of our risk management system**

The company has in place a code of conduct and high safety standards in plant operation to protect its employees and the environment. The company has instituted control bodies which verify important business decisions. Organizational measures are undertaken to prevent the infringement of guidelines and laws

#### **Goals of risk management**

At OML, the risks are detected at their earliest possible and necessary measures are taken to avoid economic and environmental damage. The company lays due emphasis on avoidance of risks that threaten the company's continued existence

#### **Organization, responsibilities and tools**

Regular risk analysis at the corporate level are conducted by OML's Chief Compliance Officer and by various departmental heads.

Specific risks pertaining to operating divisions and units are continually registered, evaluated and monitored centrally. The Board of Directors regularly receives reports on the risk situation of the company.

#### **Cautionary Statement**

The Statements in this Report, particularly which relate to Management Discussion and Analysis describing the Company's objectives, plans, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances.

Specific risks pertaining to operating divisions and units are continually registered, evaluated and monitored centrally. The Board of Directors regularly receives reports on the risk situation of the company.



## Shareholder Information

1. Annual General Meeting :  
 Date and Time : 29<sup>th</sup> Sep., 2007  
 Venue : Om Towers, Church Road,  
 M I Road, Jaipur
2. Financial Calendar  
 Financial reporting for the quarter ending June 30, 2007 : End July, 2007  
 Financial reporting for the quarter ending September 30, 2007 : End October, 2007  
 Financial reporting for the quarter ending December 31, 2007 : End January, 2008  
 Financial reporting for the year ended March 31, 2008 : End April, 2008  
 Annual General Meeting for the year ended March 31, 2008 : End Sept. 2008
3. Registered Office : Om Towers, Church Road,  
 M.I . Road, Jaipur Rajasthan
4. Website : www.ommetals.com
5. Listing on Stock Exchange at

Stock Exchange	Code
Bombay Stock Exchange Ltd	<b>ISIN</b>
Phiroze Jeejeebhoy Towers	:INE239D01028531092
Dalal Street	<b>BSE CODE</b>
Mumbai-400 001	:531092

*Note: Listing Fees has been paid to Bombay Stock Exchanges as per the schedule*

6. Registrar and Transfer Agents : M/s Skyline Financial Services Pvt. Ltd. 123,  
 Vinobapuri, Lajpat Nagar, New Delhi 110024  
 (For share transfers and other Communication relating  
 to Share certificates, dividend and change of address)
7. Nature of complaints received during the year : Eight complaints in relating to non receipt  
 of dividend, change of address and Non  
 receipt of share Certificate /Transfer/  
 Transmission, etc.
8. Dematerialization of shares and liquidity : As on 31.3.2007 Total shares in  
 Dematerialization form was 7.60 Cr. and  
 total Shares of the company were  
 Rs. 9.63 Cr.
9. Investor Correspondence  
 Other than Secretarial Matters : info@ommetals.com  
 On Secretarial Matters : ommljaipur@yahoo.com
10. Major changes in Equity Share Capital : 20112659 Equity shares Issued (effective  
 during the year : 28.02.2007) pursuant to the scheme of  
 amalgamation And 20000000 New Equity  
 shares Issued under QIB  
 (effective 23.01.2007)



## **CORPORATE GOVERNANCE REPORT**

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

Our Corporate Governance philosophy stems from our belief that the business strategy and plans should be consistent with the welfare of all the shareholders and should be in line with policies of Government of India.

Om Metals believes in and always strives towards maximising value for all shareholders while ensuring accountability and transparency in conduct of business within acceptable legal and ethical framework by adhering to good Corporate Governance practices.

Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena and thus positioning itself to conform to the best corporate governance practices. Company is committed to pursue excellence in all its activities and maximize its shareholder's wealth

### **2. Board of Directors**

The Board of Directors presently comprise seven members out of which three are Executive -Directors and four are Non-Executive Directors. Chairman of the Board is also a Non-Executive Director. Out of seven 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.

The primary role of the board is that of trusteeship to protect and enhance shareholders' value. As trustee, the board ensures that the company has clear goals and policies for achieving these goals. The board oversees the Company's strategic direction, reviews corporate performance authorizes and monitors strategic decision, ensures regulatory compliance and safeguard interests of shareholders.

During the year under review, 19 Board Meetings were held viz; on 26.04.2006, 28.04.2006, 12.05.2006, 19.05.2006, 30.06.2006, 10.07.2006, 30.07.2006, 28.08.2006, 01.09.2006, 10.09.2006, 14.10.2006, 20.10.2006, 30.10.2006, 04.12.2006, 15.01.2007, 23.01.2007, 27.01.2007, 28.02.207 and 16.03.2007.

Except 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:

<b>Name of Director</b>	<b>Category</b>	<b>Designation</b>	<b>Attendance Particulars</b>		<b>Directorship of other Indian Companies</b>		<b>Committees Memberships*</b>	
			<b>Board Meetings</b>	<b>Last AGM</b>	<b>Public</b>	<b>Private</b>	<b>Member</b>	<b>Chairman</b>
Dr. T.C. Kothari	Promoter & Non-Executive Director	Chairman	17	Yes	-	-	1	1
Mr. C.P Kothari	Promoter & Executive Director	Managing Director	17	Yes	2	2	-	-
Mr. D.P Kothari	Promoter & Executive Director	Whole-time Director	17	Yes	-	1	-	-



Mr. Sunil Kothari	Promoter & Executive Director	Whole-time Director	16	Yes	2	8	-	-
Mr. P.C. Jain	Independent & Non-Executive Director	Director	9	Yes	-	1	2	-
Mr. Kamal Chandwar	Independent & Non-Executive Director	Director	10	No	-	1	1	-
Mr. Ghan Shyam Gupta	Independent & Non-Executive Director	Director	6	No	-	1	-	-

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

### 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; Dr. T.C Kothari, Mr. P.C. Jain and Mr. Kamal Chandwar.

The Chairman of the committee is Mr. Kamal Chandwar. 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:

- (a) Overseeing the Company's financial reporting process and ensuring correct disclosure of financial information.
- (b) Reviewing the Company's financial and risk management policies.
- (c) 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 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 2007 are as under:

Name of Director	Status	No. of Meetings	
		Held	Attended
Mr. Kamal Chandwar	Chairman	5	5
Mr. P.C. Jain	Member	5	4
Dr. T. C Kothari	Member	5	4

During the Financial year 2006-07, 5 Audit Committee Meetings were held on 27<sup>th</sup> June 2006, 27<sup>th</sup> July 2006, 24<sup>th</sup> August 2006, 27<sup>th</sup> October 2006 and 24<sup>th</sup> January 2007.



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

The Board of Company has constituted a Shareholders' grievance Committee, comprising Dr. T. C Kothari, Mr. Kamal Chandwar and Mr. P.C. Jain. Dr. T. C Kothari, 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.

Shareholders' Grievance Committee meets generally twice every month in second and last week of month to approve the share related work.

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	3	3
Non-receipt of share certificate /Transfer/ Transmission	2	2
Non-Receipt of dividend	2	2
Others	1	1
<b>TOTAL</b>	<b>8</b>	<b>8</b>

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 2006-07.

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/whole-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 2007 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. 26,40,000	689240	N.A	N.A	Rs. 33,29,240
Mr. D.P Kothari	Rs. 24,00,000	630403	N.A	N.A	Rs. 30,30,403
Mr. Sunil Kothari (from Oct. 06)	Rs. 6,90,000	159355	N.A.	N.A.	Rs. 8,49,355
Mr. P.C. Jain	N.A	N.A	N.A	N.A	NIL
Mr. Kamal Chandwar	N.A	N.A	N.A	N.A	NIL
Mr. Ghan Shyam Gupta	N.A	N.A	N.A	N.A	NIL



## 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
2003-04	25.09.2004	11.00 a.m	B-117-118, Industrial Estate, Kota, Rajasthan
2004-05	30.09.2005	11:00 a.m	Om Tower, M.I. Road, Jaipur
2005-06	30.09.2006	11:00a.m.	Om Tower, M.I. Road, Jaipur

No resolutions was passed by postal ballot during financial year 2006-07.

Following three resolutions are proposed to be passed by postal ballot in the month of July 2007.

1. Ordinary Resolution on 04.07.2007 to sale or dispose off the shares held by the company in JV companies to a newly incorporated 100% subsidiary, under section 293(1)(a) of Companies Act, 1956;
2. Ordinary Resolution on 04.07.2007 to borrow monies exceeding the aggregate of the paid-up capital of the company and its free reserves but not more than Rs. 500 crores, under section 293(1)(d) of Companies Act, 1956;
3. Special Resolution on 04.07.2007 to permit 49% Foreign Direct Investment in the company in accordance with RBI Circular No. 02/2007

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 2006-07, quarterly unaudited financial results generally published in Economic Times, Navbharat Times, Financial Times and Capital market. 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

29<sup>th</sup> September 2007 at 11.00 a.m. at Om Towers, Church Road, M I Road, Jaipur, Rajasthan

### Book Closure Period

27.09.2007 to 29.09.2007 (both days inclusive)

### Financial Calendar

(Tentative and subject to change)

• Financial Reporting for Quarter ending 30<sup>th</sup> June 2007

Last week of July, 2007

• Financial Reporting for Half year ending 30<sup>th</sup> September 2007

Last week of October, 2007

• Financial Reporting for Quarter ending 31<sup>st</sup> December 2007

Last week of January, 2008





## OM METALS INFRAPROJECTS LTD.

Financial Reporting for Quarter ending  
31<sup>st</sup> March 2008

Last week of April, 2008

**Listing on Stock Exchanges\***

The Stock Exchange, Mumbai

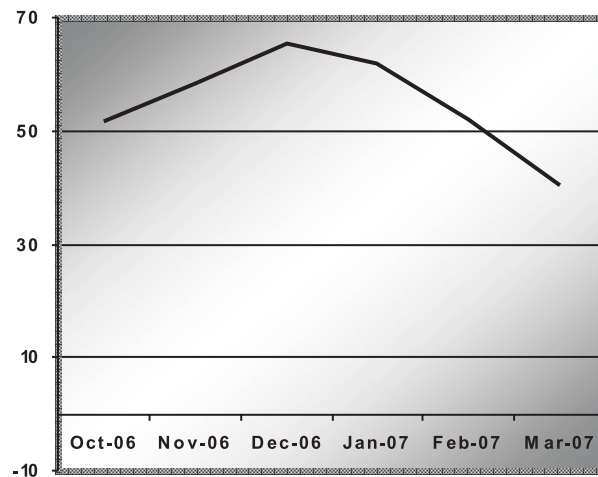
**Stock Code**

BSE-531092

**ISIN**

INE239D01028

### Stock Market Price Data



Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume of Shares	Volume (Rs.)
Oct- 2006	58.50	42.50	51.55	3619515	179,003,737.00
Nov- 2006	65.50	49.50	58.25	4746759	282,315,184.00
Dec- 2006	65.60	53.00	65.55	1733600	106,110,425.00
Jan-2007	75.00	61.50	61.95	1963438	132,642,910.00
Feb- 2007	65.00	48.00	52.05	2120147	125,552,379.00
Mar-2007	52.00	39.00	40.25	2702102	115,924,059.00

### Registrar & Share Transfer Agents

M/s Skyline Financial Services Pvt. Ltd.123, Vinoba Puri,  
Lajpat Nagar New Delhi-110024 Tel: 011-29833777  
Fax: 011-29848352 E-mail: skyline\_fspl@rediffmail.com

### Share Transfer System

The Share transfers which are received in physical form are processed well within the prescribed period, from the date of receipt, subject to the documents being valid and complete. Physical shares received for dematerialization 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 31<sup>st</sup> March 2007)**

Category	No. of Shareholders	No. of Shares held	% of Total
Promoters	34	62250549	64.64
Mutual Funds and UTI	6	2953412	3.07
FII's	11	18230779	18.93
Corporate Bodies	257	7818062	8.12
Indian Public	3775	4850267	5.03
NRIs/OCBs	28	145389	0.15
Trusts	1	700	0.00
Any Other (specify) (Clearing houses & Clearing members)	19	54651	0.06
<b>Total</b>	<b>4131</b>	<b>9,63,03,809</b>	<b>100.00</b>

**Dematerialisation of Shares and liquidity**

As on 31<sup>st</sup> March 2007, 7,59,50,195 Equity Shares i.e. 78.87% of paid up capital of the Company were held in dematerialised mode and rest were in physical form.

**Outstanding GDR/ADR**

NIL

**Plant/Site Location**

1.Factory at B-117/118, Indraprastha Industrial Area, Kota, Rajasthan. Kameng in Arunachal Pradesh, Lergi, Koldam, Chamera & Parbati in Himachal Pradesh, Karbilangpi in Assam, Goshikhurd in Maharashtra, Sewa and Uri in Jammu & Kashmir, Madikheda in M.P., Teesta in West Bengal and various other projected 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: 011-29833777 Fax: 011-29848352 E-mail: skyline\_fspl@rediffmail.com



## OM METALS INFRAPROJECTS LTD.

### OM METALS INFRAPROJECTS LTD.

Auditor's Certificate on Compliance with the Conditions of Corporate under Clause 49 of the Listing Agreement.

To,

The Members of Om Metals Infraprojects Limited.

We have examined the compliance of conditions of corporate governance by Om Metals Infraprojects Limited for the year ended on 31st March 2007, as stipulated in Clause 49 of the Listing agreement of the Company with Bombay Stock Exchange.

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, we certify that 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 31st March 2007, no investor grievances are pending against the Company as on 31st March 2007 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.

Place: Kota

Dated: 30.6.2007

Sd/  
S.K.Mahipal  
Partner  
For and on Behalf of  
M.C.Bhandari & co.  
Chartered Accountants.



## AUDITOR'S REPORT

### To the Members of Om Metals Infra-projects Limited

1. We have audited the attached Balance Sheet of M/s. OM METALS INFRA PROJECTS LIMITED, as at 31.03.2007 and also the Profit and Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto. 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 and Loss Account and Cash Flow Statement which have been forwarded to us and have considered the same in preparing this report. These financial statement are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence, supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principal used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies ( Auditor's Report ) order, 2003 (as amended) issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. 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 purposes of our audit:
  - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Engineering, Multiplex and Hotel divisions/branches not visited by us. The branch/division Auditor's reports have been forwarded to us and have been appropriately dealt with.
  - (c) The balance sheet, profit and 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 Engineering, Multiplex and Hotel divisions of the company.
  - (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the applicable accounting standard's referred to in sub-section (3C) of section 211 of the Companies Act 1956
  - (e) On the basis of written representations received from the directors, as on 31.03.2007 and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31.03.2007 from being appointed as a director in terms of clause (g) of Sub- section (1) of section 274 of the Companies Act, 1956.
  - (f) 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 26 of schedule 19 regarding provision for tax liabilities and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) in the case of the balance sheet, of the State of affairs of the Company as at 31.03.2007 and.
  - (ii) in the case of the profit and Loss account, of the profit for the year ended on that date and
  - (iii) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

Place: 38 Shopping Centre, Kota ( Raj.)

Dated: 30.06.2007

For M.C. BHANDARI & CO.  
CHARTERED ACCOUNTANTS  
( S.K. MAHIPAL )  
PARTNER  
M.No.70366



## **ANNEXURE**

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/S OM METALS INFRAPROJECTS LIMITED , KOTA (RAJ.) ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2007

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 3 and 4 of the said order is given below. In preparing the report, we have considered the report made under the aforesaid order by other auditors, who have audited the accounts of the Divisions of Engineering, MultiPlex and Hotel of the Company.

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

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation on fixed assets except hotel division , the records of which are under completion.
- b) The management has carried out a physical verification of most of its fixed assets during the year except hotel division has a program to verify fixed assets physically in a phased manner. In our opinion , the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the company is not affected.

- 2 (a) The inventory of the company has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable according to the nature of the business.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories 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, we are of the opinion that the company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to 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 account.

### **3. In respect of the loans , secured or unsecured , granted by the company to companies , firm or other parties covered in the register maintained under section 301 of the Companies act, 1956.**

- a) The company has given loans to Six Party (Subsidiary and joint venture) . In respect of the said loan, the maximum amount outstanding at any time during the year is Rs. 3673.55 lacs and year end balance of Rs. 3673.55 Lacs.
- b) In our opinion and according to the information and explanations given to us, the aforesaid loan is interest free and other terms & conditions are not prima-facia prejudicial to the interest of the company.
- c) The said interest free loan given to subsidiary and joint venture of the company is repayable on demand and there is no repayment schedule.
- d) In respect of loans given by the company, the same is repayable on demand and therefore the question of overdue amount does not arise .
- e) As informed to us, the company has not taken any loans , secured or unsecured from companies, firm or other parties except advance from OML+JSC Ukrain (JV) maximum balance Rs. 1771.89 lacs (previous year Rs. 1630.50 lacs) covered in the register maintained under section 301 of the companies Act, 1956 and outstanding balance is Rs. 1771.89 lacs at the year end.
- f) In our opinion, the rate of interest and other terms and conditions of unsecured loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.



- g) During the year, the principal amount for loan taken and interest thereon are not due for payment.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased/job work are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have not observed any continuing failure to correct major weaknesses in such internal control system.
4. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanations given to us :-
- a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered into the register, maintained under the said section have been so entered.
- (b) In our opinion and having regard to our comments in Para (4) above and according to the information's and explanations given to us, the transactions [excluding loans reported under paragraph 3 above] exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such prices are available. However income from construction business received from a party in excess of Rs. 5.00 lacs and price received from the same could not be commented upon as the hotel division has not made similar transactions from any other party.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the Public. Therefore the provisions of clause (vi) of the Companies (Auditor's report) order, 2003 are not applicable to the company.
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 Govt. under section 209 (1) (d) of the Companies Act, 1956 to any product of the company.
- 9 a) According to the information and explanations given to us and the books & records of the company examined by us, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax/VAT, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. However in some cases TDS, PF and ESI has not been deposited within the stipulated time limit.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax/VAT, wealth tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding at the year end for a period of more than 6 months from the date they became payable except a sum of Rs. 7.82 lacs in respect of investor education and protection fund.
- c) i) The disputed statutory dues aggregating to Rs. 346.65 Lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under :
- ii) A general show cause notice of service tax received by the company that service tax is payable on erection receipts in engg. division for the period from 01.04.2004 to on ward. The company replied suitably.



## OM METALS INFRAPROJECTS LTD.

Nature of the Statute	Nature of the Dues	Forum where dispute is pending	Demand Amount (Rs. in Lacs.)	Period to which the amount relates
Central Sales Tax Act, 1956. and Sales Tax Act of various states	Sales Tax	Commissioner (Appeals)/Tribunal High court	111.59*7.19	1984-85,1985-86 1990-91 to 1997-98, 02-03, 04-05 to 2005-06 1986 - 87
Central Excise Act, 1944	Excise Duty	Tribunal / Commissioner (Appeal)	98.74	1987 to 1990, 1997-98, 2000 to 2006
Income Tax Act, 1961	Income Tax	CIT Appeal/ITAT	129.13**	1991-92,,96-97, 2001-02 to 2004-2005 and amalgamated Co. OSIPL-94-95, 2004-05, OKCC 2004-05, ORC- 2004-05, JMCPL 2004-05

\* Against it , the company paid Rs. 7.55 lacs and \*\* Rs. 138.78 l

10. The Company does not have accumulated losses at the end of the financial year March 31, 2007. Further , the company has not incurred any cash losses during the financial year ended March 31, 2007 and in the immediately preceding financial year ended March 31, 2006.
11. According to the records of the company examined by us and the information and explanations given to us, the Company, has not defaulted in repayment of dues to financial institutions and banks during the year.
12. In our opinion and according to the information and explanations given to 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. In our opinion , the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's report) order. 2003 are not applicable to the company.
14. The company has maintained proper record of the transactions and contracts in respect of dealing or trading in shares , securities, debentures and other investments and timely entries have been made there in . All shares , securities, debentures and other investments have been held by the company in its own name .
15. The company has given bank guarantees for advance taken / security deposit for tendering by Joint venture firm from Banks. According to the information & explanations given to us, we are of the opinion that the terms & conditions there are not prima facie prejudicial to the interest of the company.
16. To the best our knowledge and belief and according to the information's and explanations given to us, in our opinion, the term loans taken by the company during the year have been applied by the company for the purposes for which the loans were obtained.
17. According to the information and explanations given to us, and on an over all examinations of the Balance sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 except 20112659 Equity



shares allotted to the share holder of erstwhile Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, Om Raj Carbide Limited, Jupiter Manufacturing co. (P) Limited, Richa Builders (P) Limited, SAH Buildcon (P) Limited pursuant to the scheme of amalgamation approved by Hon'ble Rajasthan high Court , Jaipur, (Rajasthan). (See note no – 9.)

19. In our opinion and according to the information and explanations given to us, the company has not issued any debentures, paragraph 4 ( x ix) of the order is not applicable.
20. The company has raised monies by way of public issue amounting to Rs. 120 crore towards the end of the year . Pending utilizations of the same , the funds have been temporarily invested in current investments and placed as fixed deposits with banks.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit for the year ended March 31, 2007

Place: Kota

Dated: 30.06.2007

For M.C. BHANDARI & CO.  
CHARTERED ACCOUNTANTS  
( S.K. MAHIPAL )  
PARTNER  
M.No.70366



**OM METALS INFRAPROJECTS LIMITED**

BALANCE SHEET AS AT 31st March,2007

Particulars	Schedules	Figures as at 31-03-2007 (Rs.)	Figures as at 31-03-2006 (Rs.)
<b>SOURCES OF FUNDS :</b>			
<b>Share Holder's Funds :</b>			
Share Capital	1	96303809.00	56191150.00
Reserves & Surplus	2	2613426104.34	403182499.53
		<b>2709729913.34</b>	<b>459373649.53</b>
<b>Loan Funds :</b>			
Secured Loans	3	426138182.73	231082644.40
Unsecured Loans	4	0.00	3276558.00
		<b>426138182.73</b>	<b>234359202.40</b>
<b>Deferred Tax Liabilities</b>		16444965.00	21346770.00
<b>Total Sources of Funds</b>		<b>3152313061.07</b>	<b>715079621.93</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	5	1402284725.87	499734518.37
Less : Depreciation		153917061.09	121523598.59
		1248367664.78	378210919.78
Add :capital work in progress(including Capital Advance)		30988638.00	38358723.00
		<b>1279356302.78</b>	<b>416569642.78</b>
<b>Investments</b>	6	179079214.00	10187825.03
<b>Current Assets, Loans &amp; Advances</b>	7		
Inventories		157131766.11	166605315.54





Sundry debtors		115580516.22	102158525.98
Cash and bank balances		1345890278.84	530086071.20
Loans and advances		547556116.73	100244027.37
		2166158677.90	899093940.09
<b>Less : Current liabilities &amp; Prov.</b>			
Current Liabilities	8	449823620.61	562888132.97
Provisions	9	68196976.00	47883653.00
		<b>1648138081.29</b>	<b>288322154.12</b>
<b>Miscellaneous Expenditures</b>	10	45739463.00	0.00
(To the extent not written off or adjusted )			
<b>Total application of funds</b>		<b>3152313061.07</b>	<b>715079621.93</b>
NOTES TO ACCOUNTS	19		

The schedule referred to above and the notes on Accounts form an integral part of the Balance Sheet

As per our Report of even date annexed

For M.C.Bhandari & Co.

Chartered Accountants

S. K. Mahipal

Partner

M.No.70366

Place : Kota

Dated : 30-06-2007

For and behalf of Board of Directors

T.C.Kothari  
(Chairman)

C.P.Kothari  
(M.Director)

D.P.Kothari  
(Director)

Priya Jain  
(Company Secretary)



**OM METALS INFRAPROJECTS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON**  
**31st March, 2007**

Particulars	Schedules	2006-07 (Rs.)	2005-06 (Rs.)
<b>INCOME :</b>			
Turnover	11	919178352.2	737882065.8
Less : Excise duty on sales of Engg. Goods		9093400.00	5367038.00
		<b>910084952.21</b>	<b>732515027.82</b>
Other Income	12	50804078.17	95680720.82
Increase (decrease) in stocks	13	27837700.50	59370256.32
<b>Total</b>		<b>988726730.88</b>	<b>887566004.96</b>
<b>EXPENDITURE :</b>			
Material consumed, Provision & beverage/ Trading Purchases	14	356216839.82	361321088.17
Payments to & Provisions for employees	15	33445559.94	30718981.05
Manufacturing & Operating Expenses	16	170296108.46	143260706.19
Establishment & Selling Expenses	17	86983532.41	53989713.32
Financial Expenses	18	45933686.60	23876690.52
		<b>692875727.23</b>	<b>613167179.25</b>
Profit before taxation & depreciation		295851003.65	274398825.71
Less : Depreciation		32895966.26	30306894.01
Less : Depreciation transferred to revaluation reserve		397199.49	457720.40
		<b>32498766.77</b>	<b>29849173.61</b>
Profit after Depreciation		263352236.88	244549652.10
Less : Provision for income tax(See note 26 of Sch.19)		3000000.00	2100000.00
Less : Fringe benefit tax		2362825.00	2200000.00
Add : Deferred tax charge/(Credit)		4901805.00	2290717.00
Profit after tax		<b>235891216.88</b>	<b>223640369.10</b>
Balance brought forward from previous year		314813515.91	145709133.81
<b>Profit available for appropriation.</b>		<b>550704732.79</b>	<b>369349502.91</b>



**Less:**

**Appropriations**

Transfer to General Reserve	25000000.00	22500000.00
Dividend on Equity Shares		
- Interim	19260762.00	16857345.00
- Final	0.00	11238230.00
Corporate dividend Tax	2701322.00	3940412.00
Balance carried to Balance Sheet	503742648.79	314813515.91
	<b>550704732.79</b>	<b>369349502.91</b>
Basic and Diluted Earning per Share (Rs.)	3.83	3.98
Nominal value of share (Rs. )	1	1

Ref. Note No.(7) in schedule 19

NOTES TO ACCOUNTS

19

The schedule referred to above and the notes on Accounts form an integral part of the profit and loss account.

Singed in terms of our report of even date annexed.

For M.C.Bhandari & Co.

Chartered Accountants

S. K. Mahipal

Partner

M.No.70366

Place : Kota

Dated : 30-06-2007

For and behalf of Board of Directors

T.C.Kotharr

(Chairman)

C.P.Kothari

(M.Director)

D.P.Kothari

(Director)

Priya Jain

(Company Secretary)



**OM METALS INFRAPROJECTS LIMITED  
SCHEDULE ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET**

**As at 31 st March,2007**

Particulars	<b>Schedule - 1</b>	
	Figures as at 31-03-2007 (Rs)	Figures as at 31-03-2006 (Rs)
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED</b>		
101600000 Equity Share Of Rs.1/- each (80000000 equity share of Rs. 1/- each in previous year)	101600000.00	80000000.00
<b>ISSUED,SUBSCRIBED AND PAID UP</b>		
96303809 Equity Share Of Rs.1/- each (56191150 equity share of Rs. 1/- each in previous year)	96303809.00	56191150.00
<b>Total</b>	<b>96303809.00</b>	<b>56191150.00</b>

Notes : (1) In accordance with the resolution passed by shareholders through postal ballot on 06-08-2005 equity shares of the face value of Rs. 10/- each were divided into 10 equity shares of Rs. 1/- each.

(2) Above issued,subscribed and paidup capital includes :-

(a) 19568000 nos and 2298,6000 nos.of fully paid Equity Share of Rs.1/- each were allotted as bonus share in the year 1992 - 93 and 1994 - 95 respectively by capitalisation of reserves and Profit & Loss Account )

(b) 20112659 Shares have been allotted for consideration other than cash, pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Rajasthan dated 19.01.2007 to the share holders of erstwhile :-

Om Rajasthan Carbide Limited	5476259	equity shares
Jupiter Manufacturing Co. (P) Limited	5318400	equity shares
Om Structural India (P) Limited	5808000	equity shares
Om Kothari Cement & Chemicals (P) Limited	1410000	equity shares
SAH Buildcon (P) Limited	1050000	equity shares
Richa Builders (P) Limited	1050000	equity shares
<b>Total :-</b>	<b>20112659</b>	

(3) Out of the shares 20112659 issued under scheme of amalgamation, 15068499 and 5044160 shall remain in lock in period for one year and three years respectively from the date of listing at BSE.

(4) Authorized share capital has been increased pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Rajasthan dated 19.01.2007.



**OM METALS INFRAPROJECTS LIMITED**  
**SCHEDULE ANNEXED TO AND FORMING PART**  
**OF THE BALANCE SHEET**

As at 31 st March,2007

Particulars	Schedule - 2			
	As at 31-03-2007 (Rs.)	As at 31-03-2007 (Rs.)	As at 31-03-2006 (Rs.)	As at 31-03-2006 (Rs.)
Reserves and Surplus				
<b>A. Revaluation Reserve</b>				
As per last balance sheet	5059183.79		8673932.19	
Less: - Transferred to P & L A/c	397199.49		457720.40	
Less :- Deduction on sale/discarding of revalued assets	0.00	4661984.30	3157028.00	5059183.79
<b>B. Capital Reserve</b>				
As per last Balance sheet	7395199.83		7395199.83	
Add:- arising due to an Amalgamation	816711671.42	824106871.25	0.00	7395199.83
<b>C. Security Premium</b>				
As per last balance sheet	44764600.00		44764600.00	
Add:- Received during the year	1180000000.00	1224764600.00	0.00	44764600.00
<b>D. General Reserve</b>				
As per last balance sheet	31150000.00		8650000.00	
Add:- Transferred from P & L A/c	25000000.00	56150000.00	22500000.00	31150000.00
<b>E. Surplus</b> (Profit as per profit and loss account annexed )		503742648.79		314813515.91
<b>Total</b>		<b>2613426104.34</b>		<b>403182499.53</b>

Particulars	Schedule - 3	
	Figures as at 31-03-2007 (Rs.)	Figures as at 31-03-2006 (Rs.)
<b>SECURED LOANS :</b>		
<b>a) TERM LOAN :</b>		
From SBBJ	134099540.27	110721230.57
See note No.1 (a)		
From Others banks	6557932.81	6763496.08
See note No.1(b)		
<b>Sub-Total</b>	<b>140657473.08</b>	<b>117484726.65</b>
<b>a) Working Capital Loan</b>		
From Banks (Rupee loan)	123664823.20	44074719.18
( See note No.2)		
<b>b) Short Term Loan against FDR from Bank</b>		
	161815886.45	69523198.57
( See note No.3)		
<b>Sub-Total</b>	<b>285480709.65</b>	<b>113597917.75</b>
<b>Total</b>	<b>426138182.73</b>	<b>231082644.40</b>



## OM METALS INFRAPROJECTS LTD.

**Note :**

- (i) Term Loan includes Rs. 362.48 Lacs due with in a year ( Previous year Rs.354.79 lacs)

**Note :**

- 1 a) Rupees term loan from banks are secured/to be secured by first charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the company, both present and future (save and except book debt and other current assets) of Hotel division Jaipur (Raj.) , Multiplex Division , Kota (Raj.) and property located at VKI Jaipur (Raj.) including wind mill and further secured by way of personal guarantees of Shri T.C. Kothari, C.P Kothari and D.P. Kothari directors of the company. Rupees term loan from banks are further secured by way of equitable mortgage of lease of land belonging to M/s. Om Kothari Pariwari Trust (Family trust) located at Jaipur for Hotel division.
- (b) Secured by way of Hyp. of vehicles financed by other banks.
2. Cash credit loans from banks are secured by way of hypothecation of all stocks and book debts on ranking pari - passu basis inter se between the lender. These loans are further secured / to be secured on pari-passu charges by way of first charge by way of mortgage, by deposit of title deeds in respect of immovable properties and second charges on all the assets of the company (except on which secured loans taken from banks and other parties) & personal guarantees of the Shri T.C. Kothari, Shri C.P.Kothari and Shri D.P.Kothari Directors of the company and further secured by way of equitable mortgage of land & building belonging to Jupiter Metals (P) Ltd.
3. Secured by way of deposit of FDR.
4. In the case of Bank Gaurantee Limits, it is secured by way of deposit of FDR and counter gaurantee of the Company and collateral securities as mentioned above (2) and personal guarantee of the directors i.e. Shri T.C. Kothar, Shri C.P. Kothari and Shri. D.P. Kothari of the Company and further secured as collateral securities as mentioned above (2) & 3 on ranking pari-passu basis inter se between the lender .

**Schedule - 4**

Particulars	Figures as at 31-03-2007 (Rs.)	Figures as at 31-03-2006 (Rs.)
<b>UNSECURED LOANS :</b>		
<b>Long term :</b>		
1. From RIICO LTD. (sales tax Intt. Free loan)	0.00	175720.00
<b>Short Term :</b>		
1. Inter corporate loan	0.00	3100838.00
<b>Total</b>	<b>0.00</b>	<b>3276558.00</b>

**Note : Rs. Nil Lacs due with in year (previous year Rs. 1.76 lac)**



**OM METALS INFRAPROJECTS LIMITED**  
**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT 31st March, 2007  
**Fixed Assets**

PARTICULARS	AS AT 31-03-2006	ADDITIONS	ADDITION ON AMALGAMATION	SALES/ TRANSFER	TOTAL COST AS AT 31-03-2007	DEPRECIATION ON UP TO 31-03-2006	DEPRECIATION DURING THE YEAR	ON SALE/ ADJUSTMENT	TOTAL DEPRECIATION	W.D.V. 31-03-2007	W.D.V. 31-03-2006	Schedule-5
Free Hold Land	0.00	0.00	127213160.00	0.00	127213160.00	0.00	0.00	0.00	0.00	127213160.00	0.00	
Lease hold land including Tenancy right	46694481.00	18522400.00	642232625.00	0.00	707449506.00	483208.74	0.00	0.00	483208.74	706966297.26	46211272.26	
Agriculture Land	521761.50	0.00	38067.52	2115.00	557714.02	0.00	0.00	0.00	0.00	557714.02	521761.50	
Building/ Temp. Labour Quarter Shed	243180532.84	7080749.00	64146820.34	1415325.00	312992777.18	32036541.47	15266664.93	486730.63	46816475.77	266176301.41	211143991.36	
Plant & Machinery & Electrical Fittings	154320439.01	36368204.00	5454931.39	87145.00	196056429.40	62294865.53	12070919.07	15773.00	74350011.73	121706417.67	92025573.47	
Furniture & Fixture and Office Equipments	33701282.78	1804233.00	7221.66	0.00	35512737.44	14035298.98	3109285.33	0.00	17144584.31	18368153.13	19665983.56	
Vehicle	21316021.21	1183307.00	3073.62	0.00	22502401.83	12673683.61	2449096.94	0.00	15122780.55	7379621.28	8642337.63	
<b>TOTAL</b>	<b>499734518.34</b>	<b>64958893.00</b>	<b>839095899.53</b>	<b>1504585.00</b>	<b>1402284725.87</b>	<b>121523598.33</b>	<b>32895966.27</b>	<b>502503.63</b>	<b>153917061.09</b>	<b>1248367664.77</b>	<b>378210919.78</b>	
Capital Work in Progress												<b>30988638.00</b>
<b>Figures for the previous year</b>	<b>418663622.92</b>	<b>97026110.17</b>	<b>0.00</b>	<b>15955214.72</b>	<b>499734518.34</b>	<b>98461160.72</b>	<b>30306894.01</b>	<b>7244456.14</b>	<b>121523598.59</b>	<b>378210919.75</b>	<b>320202462.20</b>	

Note: (i) The name of change in assets being transferred to company under scheme of amalgamation as approved by the Hon'ble High Court of Rajasthan vide order dated 19.01.2007 is under process in the records of Registering Authorities.

(ii) Capital Work in Progress includes capital advances of Rs. 102.68 Lacs (Previous year Rs. 226.90 Lacs)



**OM METALS INFRAPROJECTS LIMITED  
SCHEDULE ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET**

**As at 31 st March,2007**

**Schedule - 6**

Particulars	No.	Face Value	Balance As At	
			31.03.2007 (Rs.)	31.03.2006 (Rs.)
<b>1a). LONG TERM INVESTMENTS :</b>				
(Government and other securities (unquoted)				
National Saving Certificate ( Deposited				
with in Sales Tax Dept. interest is to be				
adjusted on realisation )				
			19000.00	14000.00
<b>(b) OTHER INVESTMENTS INCL. JV &amp; Subsidiaries (UNQUOTED)</b>				
Ordinary Share (Fully paid up)				
Om Kothari Enterprises Ltd.	759501	7595010.00	7595010.00	7595010.00
B. Raheja Builders (P) Limited	1250	12500.00	12500.00	12500.00
Sanmati Resorts Limited	500000	5000000.00	5000000.00	0.00
Baba Vinimay (P) Limited	5000	50000.00	50000.00	0.00
Pondicherry SEZ Co. Limited	27000	270000.00	270000.00	0.00
Murthal Tanks & Vessels (P) Ltd.	5000	50000.00	50000.00	0.00
Himgiri Dealcom (P) Limited	4068	40680.00	31730.00	0.00
Om Metals Infotech (P) Limited	5000	50000.00	50000.00	0.00
Om Metals Developers P.Ltd.	2500	25000.00	25000.00	0.00
Om Metals Real Eastate P.Ltd(Sub)	9900	99000.00	99000.00	0.00
Om Metals Ratnakar P.Ltd(Sub)	9900	99000.00	99000.00	0.00
Pondicherry Port Ltd.	25000	250000.00	250000.00	0.00
Om Metal Auto pvt. Ltd. (Sub)	25500	255000.00	255000.00	255000.00
			<b>1379619.00</b>	<b>7862510.00</b>
		<b>13796190.00</b>	<b>13787240.00</b>	<b>7862510.00</b>





(c) **OTHER INVESTMENTS ( QUOTED)**

Ordinary Share (Fully paid up)

Manglam Timber Ltd.	800	8000.00	17040.00	17040.00
Indian Petro Chemicals Ltd.	200	2000.00	32000.00	32000.00
Reliance Industries Ltd.	60	600.00	1000.00	1000.00
State Bank of India	50	500.00	5000.00	5000.00
Century Enka Ltd.	20	200.00	6000.00	6000.00
	<b>1130</b>	<b>11300.00</b>	<b>61040.00</b>	<b>61040.00</b>

(d) **OTHER SECURITIES ( QUOTED)**

Indian Petro Chemicals Ltd. (Debenture)	100	5000.00	5000.00	5000.00
	<b>100</b>	<b>5000.00</b>	<b>5000.00</b>	<b>5000.00</b>

(e) **Investment in J V /Partnership/Subsidiary**

Om Metals Consortium (Capital contri.)(Net) (Refer note no- 17)			164506934.00	2014898.50
Om Metal Infotech Pvt.Ltd.(Share Appl.)			700000.00	0.00
	<b>1432579</b>	<b>14333790.00</b>	<b>165206934.00</b>	<b>2014898.50</b>

**2. Current Investments**

ABN Amro Mutual Fund	20000	200000.00	0.00	230376.53
	<b>20000.00</b>	<b>200000.00</b>	<b>0.00</b>	<b>230376.53</b>

**Grand Total**

**179079214.00 10187825.03**

**NOTE :**

1. Aggregate value of investments	Quoted		0.66	2.96
	Unquoted		137.87	78.63
	Market price -quoted		2.01	4.06



**OM METALS INFRAPROJECTS LIMITED  
SCHEDULE ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET**

**As at 31 st March,2007**

**Schedule - 7**

Particulars	Figures as at 31-03-2007 (Rs.)	Figures as at 31-03-2006 (Rs.)
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>		
<b>1 INVENTORIES</b>		
<b>RAW MATERIAL &amp; STORES</b>		
i ) Raw material, accessories & components food beverage & liquor	26596413.44	39443968.43
i i ) Store & spares and coal	1384477.17	70601.00
i i i ) Goods in transit	5336701.00	0.00
<b>FINISHED GOODS</b>		
i ) Fabricated goods	10997450.00	2889908.00
ii) Real Estate	1250000.00	
<b>WORK IN PROGRESS</b>		
i) Engineering division including real estate	111566724.50	124200838.11
<b>Sub Total (A)</b>	<b>157131766.11</b>	<b>166605315.54</b>
<b>2 SUNDRY DEBTORS</b>		
(Unsecured , considered good except to the extent stated )		
a ) Debtors outstanding for a period exceeding 6 months.	22200135.82	61303189.72
b ) Other Debtors	93380380.40	40855336.26
<b>Sub Total (B)</b>	<b>115580516.22</b>	<b>102158525.98</b>
<b>3. CASH &amp; BANK BALANCE</b>		
a ) Cash balance on hand	1288527.79	2535426.92
b ) <b>Balances with Scheduled Banks</b>		
i ) In Current Accounts	113747940.54	215407202.99
ii) In saving accounts	113032.77	327876.59
i i i) In Fixed Deposit Receipts and in margin account. (includes FDR 438.70 lacs (Rs 396.55 lacs in P. year) pledged with banks against B.G./L.C. Issued by the Banks.)	1208882358.81	302566630.61
i v ) Interest accrued on FDR	21858418.93	9248934.09
<b>Sub Total ( C )</b>	<b>1345890278.84</b>	<b>530086071.20</b>
<b>4 LOANS AND ADVANCES</b>		
Unsecured (Considered good unless otherwise stated)		



<b>(1) Loans</b>		
(i) Corporate Loans	5456435.00	632335.00
(ii) To staff	438369.27	186435.00
(iii) To Joint Venture (See note no 21)	365559195.15	0.00
(iv) To Subsidiary (See note no 21)	1796137.34	0.00
(2) Advances recoverable in cash or in kind or for value to be received	81423347.26	20352408.96
(3) Advance Against Development of Port	0	6990953.67
(4) Balance with customs, central excise authorities & others etc.	2840989.00	552767.00
(5) Deposits	23377653.06	30071863.06
(6) Income taxes paid including FBT	66663990.65	41457264.68
<b>Sub Total ( D )</b>	<b>547556116.73</b>	<b>100244027.37</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>2166158677.90</b>	<b>899093940.09</b>

**Note**

1. Deposits includes Rs. 60.00 Lacs (previous year Rs.60.00 Lacs ) due to Director's and other related persons companies/firm under the same management .

2. Loans /Advance includes towards share application given to Joint Venture as under:

Pondicherry SEZ Ltd	Rs.	30378528.00
Pondicherry Port Ltd	Rs.	12212161.00

**Schedule - 8**

<b>Particulars</b>	<b>Figures as at 31-03-2007 (Rs.)</b>	<b>Figures as at 31-03-2006 (Rs.)</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
(i) For Goods		
- Total out standing dues to small scale industrial under takings.	288615.00	476014.00
(Ref Note No 8 of Schedule No. 19)		
(ii) Total out standing dues of Creditors other than small scale industrial under takings.	48808346.41	82839254.23
(iii) For Expenses & other Liabilities	16273893.56	21013508.83
(iv) For Capital Goods	6767969.00	12119107.00
Government dues	1015626.70	2336551.25
Advance & Security deposit from Customers,	199265294.53	280667466.93
Advance from Oml+JSC ukrain (JV)	177188918.51	163050160.83
Advance from Subsidiary company	0.00	171113.00
Unclaimed statutory liabilities		
(as referred in Sec 205 C of the Companies Act,1956)		
Unclaimed dividend *	214956.90	214956.90
<b>Grand Total</b>	<b>449823620.61</b>	<b>562888132.97</b>



## OM METALS INFRAPROJECTS LTD.

### Note :

( i ) Sundry Creditors for expenses and other liabilities includes amounting to Rs 7.82 Lakhs 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 .dt 09-08-2002

(ii) Advance from Customers include receipts from customers secured by way of Bank Guarantee of Rs 2094.15 Lacs (in previous year Rs. 1151.04 Lacs)

(iii) \* Pending for reconciliation

### Schedule - 9

#### PROVISIONS

For Income tax and Wealth tax	62205161.00	30874567.00
For F B T	2357597.00	2184000.00
For Gratuity	3009999.00	1770680.00
For Leave Encashment	624219.00	240014.00
Proposed final dividend on Equity Shares	0.00	11238230.00
Tax on proposed dividend	0.00	1576162.00
<b>Total</b>	<b>68196976.00</b>	<b>47883653.00</b>

### Schedule - 10

#### MISCELLENOUS EXPENDITURE

(To the extent not written off or adjusted)

Public Issue Expenses	57174328.00	0.00
Less : 1/5 <sup>th</sup> written off during the year	11434865.00	0.00
<b>Total</b>	<b>45739463.00</b>	<b>0.00</b>

### Schedule - 11

Particulars	2006-2007 (Rs.)	2005-2006 (Rs.)
<b>Turnover :</b>		
Sales of products, erection & escla. Receipts(Engg )	810656595.77	638481397.54
Transportation Receipts	3998176.00	2172159.46
Drawing & design receipts	970942.00	1379000.00
Income from real estate	23780000.00	9990000.00
Guest accomo.,rest./canteen,food & beverage receipts of Hotel business	59240265.44	48874082.82
Receipt from film distribution and exhibition & share of operating profit	20532373.00	36985426.00
	<b>919178352.2</b>	<b>737882065.8</b>

### Schedule - 12

#### OTHER INCOME

Interest from deposit & others (Gross)	41729801.33	17429706.22
Claims (Including interest of Rs. 4.24 crore	110692.00	69802720.00



in the previous year)		
Rent and hire charges	3120726.00	3562250.00
Miscellaneous receipts	3419082.90	2822689.05
Profit on sale of fixed assets	69290.63	1251845.38
Share of Profit from Oml+jsc ukrain JV	1219150.00	789000.17
Share of Operating profit from Subsidiary Company	585765.31	0.00
Excess Provision written back	549570.00	22510.00
<b>Total</b>	<b>50804078.17</b>	<b>95680720.82</b>

Note : Dividend from long term investment includes Rs.3931 (Previous year Rs.1470) in misc income .

**Schedule - 13**

Particulars	2006-2007 (Rs.)	2005-2006 (Rs.)
<b>INCREASE (DECREASE) IN STOCKS</b>		
<b>OPENING STOCK</b>		
Finished Goods	2889908.00	8795359.00
Work in Progress	118825889.11	53550181.79
Add: Transfer of WIP of Real Estate	5374949.00	0.00
Less: Transfer of W.I.P. to Kameing J.V.	31114272.11	0.00
<b>Sub Total</b>	<b>95976474.00</b>	<b>62345540.79</b>
<b>CLOSING STOCK</b>		
Finished Goods	12247450.00	2889908.00
Work in Progress	111566724.50	118825889.11
<b>Sub Total</b>	<b>123814174.50</b>	<b>121715797.11</b>
<b>INCREASE (DECREASE) IN STOCK</b>	<b>27837700.50</b>	<b>59370256.32</b>

**Schedule - 14**

Particulars	2006-2007 (Rs.)	2005-2006 (Rs.)
<b>Material Consumed Provisions &amp; Beverage/ Trading Purchases Consumption of material,provision &amp; beverage/ Trading activities</b>		
Opening Stock	39443968.43	53095410.82
Less: Vat	157186.00	
Add : Purchases including accessories & boughtout item / semi finished,food & beverage & liquor	324134486.83	315385022.78
<b>Sub - Total</b>	<b>363421269.26</b>	<b>368480433.60</b>
Less : Closing Stock	26596413.44	39443968.43
	336824855.82	329036465.17



## OM METALS INFRAPROJECTS LTD.

Purchases of finished goods / parts for trading activities

19391984.00

32284623.00

**Total**

**356216839.82**

**361321088.17**

**Schedule - 15**

### PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages, Bonus & Allowances etc.

29715165.95

27638720.10

Contribution of PF, ESI scheme

949343.20

1172499.05

Gratuity

588420.00

160457.00

Employee Welfare Exp. Including compensation

2192630.79

1747304.90

**Total**

**33445559.94**

**30718981.05**

**Schedule - 16**

Particulars

2006-2007

2005-2006

(Rs.)

(Rs.)

#### Manufacturing, and Operating Expenses

Power, & Fuel Expenses

18670766.13

17561116.34

Stores, Spares & Tools Consumed.

28887138.63

19823903.66

Job & other work exp. including drawing & design

52343472.10

37918926.90

Rent/Hire charges for equipment

48547948.00

39694392.00

Transportation Expenses

9042829.80

7798322.00

#### Repairs & Maintenance

a) To Machinery

2787581.85

2081329.91

b) To Building

1586786.00

1956721.00

Insurance Expenses

2155397.00

1759299.48

Film hire & other charges for display/exhibition

2690189.95

12091382.00

House up-keeping & other hotel / restaurant exp.

2027343.50

1500062.40

linen, wares & cutlery, crockeries & laundry expenses

1556655.50

1075250.50

**Total**

**170296108.46**

**143260706.19**

**Schedule - 17**

**Particulars**

**2006-2007**

**2005-2006**

**(Rs.)**

**(Rs.)**

#### Establishment & Selling Exp.

Remuneration to directors

5790000.00

3120000.00

Rent, rates & taxes

4372273.00

3535234.64

Telephone, telex & postage

4869874.90

4282783.38

Travelling & conveyance expenses

15676474.85

10888946.46

Legal, consultancy, retainership, professional arbitration expenses

10001071.03

7963498.05

General repairs

722947.73

1620239.00

Vehicle running & maintenance

7874645.00

4778649.50

Miscellaneous expenses

10130955.59

11472549.15

Audit fees

237972.00

171178.00



Charity & donation	3650101.00	1384000.00
Advertisement	1189349.00	2152165.92
Public Issue exp. written off	11434865.00	0.00
Claims / rebate & discount exp.	1115725.31	530822.22
Keyman insurance	1894610.00	1894610.00
Share of operating loss for hiring of assets to subsidiary company	0.00	195037.00
Brokerage & Commission	4188282.00	0.00
Foreign Currency Fluctuations	3569850.00	0.00
Share of Operating Loss in Om Metal Const.(P.Firm)	264536.00	0.00
<b>Total</b>	<b>86983532.41</b>	<b>53989713.32</b>

Note :- Rent, rates and taxes includes rent for Rs. 24.91 lacs.

<b>Particulars</b>	<b>Schedule - 18</b>	
	<b>2006-2007 (Rs.)</b>	<b>2005-2006 (Rs.)</b>
<b>Financial Expenses</b>		
Bank charges & Guarantee commission	14487988.63	6626795.63
<b>Interest paid to banks</b>		
a ) On Term Loan	10627766.30	10582013.71
b ) On working capital/others/project Authority	20817931.67	6667881.18
<b>Total</b>	<b>45933686.60</b>	<b>23876690.52</b>

**SCHEDULE - 19**

**NOTES TO THE ACCOUNTS :**

1. SIGNIFICANT ACCOUNTING POLICIES

(i) ACCOUNTING CONVENTION :

The financial statements of the Company are prepared under the historical cost convention as modified to include the revaluation of land, building & machineries of one of the units the company and in accordance with the applicable accounting standards except where other wise stated. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis 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 and impairment , if any. The Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental/preoperative expenses and interest on loans attributable to the acquisition of assets upto the date of commissioning of assets . Capital subsidy received against specific assets is reduced from the value of relevant 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.





## OM METALS INFRAPROJECTS LTD.

- (c) Depreciation is not provided during the year in respect of assets sold, discarded etc during the year upto the date of sales/discard.
- (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) Lease hold land are not depreciated except multiplex division.
- (iii) New project expenses pending allocation

Expenditure incurred on new projects is carried forward under capital work in progress and allocated to fixed assets, on the commencement of commercial production of the relevant projects.

#### (iv) INVENTORIES

Inventories are valued as follows :-

##### A) **Engg. Division :**

- (a) Raw Material, Stores & Spares, Components, construction material food & beverages and liquor : At cost including transportation & other exp.(FIFO method) or net realizable value, which ever is lower.
- (b) Process Stocks : At cost or net realizable value, which ever is lower. Cost for this purpose includes direct cost i.e. raw material, labour cost and other appropriate share of overheads etcon estimated basis of job done.
- (c) Finished Goods : Cost or net realizable value\*, which ever is lower. The bases of determining cost which also includes taxes and duties wherever applicable.

\* Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of the completion and to make the sale.

##### B) Hotel Division :

Stock of operating supplies i.e. crockery, cutlery, glassware, utensils, linen etc. in circulation are treated as consumption as and when issued from the stores and balance stock at the year end has been valued at cost or net realizable value whichever is lower.

##### v) Foreign currency Transaction :

###### a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

###### b) Conversion :

Foreign currency monetary items are reported using the closing rate . Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transactions and non monetary items which are carried at fair value or other similar valuations denominated in a foreign currency are reported using the exchange rates that existed when the values were determined .

###### c) Exchange differences :

All exchange differences arising on settlement/reinstatement of foreign currency transactions are included in the Profit and Loss account, except in cases where they relate to the acquisition of fixed assets acquired from outside India , in which case they are adjusted in the cost of the corresponding assets.

###### d) Forward Exchange contracts :

The premium or discounts arising at the inception of forward exchange contracts amortised as expense or income over the life of the contract , except where it relates to fixed assets acquired from outside India, in which case it is adjusted in the cost of the corresponding asset. Exchange difference on such





contracts is recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward ex-change contracts is recognized as income or expenses for the year.

- e) **Options :**  
Foreign currency options are accounted for in line with terms of contract and necessary provision for anticipated losses in respect of open options is made. Gain on such options is recognized on actual realization.
- vi) **Revenue Recognition :**
- a) **Engineering Division :**  
Sales of products (Fabricated goods) escalation and erection receipts is accounted for on the basis of bills/invoices acknowledge or paid by the project authorities.
- b) **Other Divisions :**  
Sales comprises sales of goods, room sales & sales of ticket etc. are excluding sales tax/VAT . It is being accounted for net of returns/discount/claims.
- c) **Income from interest on refund of income tax** accounted for in the year, the order is passed by the concerned authority.
- d) **Revenue from construction contracts/projects** is recognized on the percentage of completions method of accounting . Revenue is recognized , in relation to the sold areas only, on the bases of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost . The estimates of saleable area and cost are revised periodically by the management . The effect of such changes to estimates is recognized in the period such changes are determined.
- vii) **INVESTMENTS :**  
Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Long Term Investments .Current investments are carried at lower of cost and fair value determined on and individual investment basis. Long term investments are carried at cost. However, Provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.
- viii) **MISCELLANEOUS EXPENDITURE ( To the extent not written off or adjusted)** Miscellaneous expenditure such as public issue expenditure are amortized over a period in 5 years.
- ix) **RESEARCH & DEVELOPMENT :**  
Research & development costs ( Other than cost of fixed assets acquired are charge as an expenses in the year in which they are incurred.
- x) **Borrowing costs :**  
Borrowing costs are recognized as expenses in the period in which they are incurred except for borrowings for acquisition of qualifying assets which are capitalized upto the date, the assets is ready for its intended use.
- xi) **TAXATION :**
- (a) **Current Tax :**  
The income tax liability provided in accordance with the provisions of the Income Tax Act, 1961 or as advised by income tax consultant after claiming deduction under section 80 I .
- (b) **Deferred Tax Liabilities/(Assets)**  
Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c) **Fringe benefit tax :**



Fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the provision of Income Tax Act, 1961.

- xii) Retirement benefits :
- a) Retirement benefits in the form of provident fund are charged to the Profit and Loss account of the year when the contributions to the respective funds are due.
- b) Gratuity :  
Provision for gratuity liabilities under the payment of gratuity to employees is made at the end of the year. (Actuarial valuation for the liabilities has , however has not been done). In Hotel Division no provision for gratuity has been considered necessary, as there is no eligible employees.
- c) Leave Salaries:  
Provision is made for value of unutilized leave due to employees at the end of the year. In Hotel division no provision for leave encashment is required as there is system of compensatory off in lieu of leave encashment.
- xiii) Impairment of assets:  
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimated of recoverable amount.
- xiv) Provision, contingent liabilities and contingent assets:  
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.
- xv) Earning per Share:  
Basic earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity share holders (After deducting taxes etc.) by the weighted average number of the equity shares outstanding during the period.  
  
For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilative potential equity shares.
- xvi) Use of Estimate:  
The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual result and estimates are recognized in the period in which results are known / materialized.

2. CONTINGENT LIABILITIES (NOT PROVIDED FOR) IN RESPECT OF:

(RS. IN LACS)

S.No.	Particulars	As at 31.03.2007	As at 31.03.2006
i)	Outstanding bank guarantee *	8834.71	7872.88
ii)	Letter of credits accepted	338.62	1386.99
iii)	Claims against the Company not acknowledged a debt relating to supplies and service matters including counter claims of project authorities.	1408.75	1408.25
iv)	Various labour cases	Amount not ascertainable	Amount not ascertainable



v)	Net show cause/demand/notices by excise deptt., service tax, income tax authorities being disputed by the company. (See note no 12 below.)	200.32	196.29
----	---	--------	--------

Based on favorable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors, etc, the company believes that there is fair chance of decisions in its favour in respect of all the items listed in (iii) & (v) above and hence no provisions is considered necessary against the same.

- Out standing bank guarantee includes issued by banks, in favour of following joint venture/partnership firm.

(Rs. in Lacs,)

Name of Joint Venture firm (PF)	O/s. Bank guarantee as at 31.03.2007	O/s. Bank guarantee as at 31.03.2006
OML+JSC, UKRAIN , KAMENG (JV)	2436.00	2436.50
Om Metals Consortium (PF)	950.00	1000.00
Om Ray (JV)	0	233.24*

- Share of joint venture surrendered on 31.03.06 and bank guarantee since received.
- Estimated amount of contracts remaining to be executed (capital commitments) not provided for Rs. 350.21 lacs ( Rs. 524.14 lacs in the previous year)
  - Claims raised by the Company/Claims settled with various project authorities/ other parties. amounting to Rs 5200.74 lacs ( Rs. 5200.74 Lacs in previous year) , against these claims, the company has received arbitration awards of Rs 288.32 lacs ( Previous year Rs. 288.32 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/ Other parties.
    - The company entered into an joint venture agreement between well wisher constructions and finance (P) Limited, Om Metals Limited and B.Raheja Builders (P) Limited on 10.12.2005 for development/ constructing an information technology park at Navi Mumbai.The joint venture purchased a piece of land admeasuring 202345 Sq. met. from MIDC. The share of the company in joint venture 10:10:80 or Rs. 100.00 per sq. feet of saleable built up area of constructions available on the plot as per the sanctioned plan. The company surrendered its share in favour of Raheja group and consideration to be settled later on. The company received an advance of Rs. 352.50 lacs. It shall account for income on final settlement/receipts of money. The advance received Rs. 352.50 Lacs shown advance from customers in current liabilities and provisions (Schedule no. 8)
  - Payments to auditors including Branches Auditors :

Rs. in Lacs).

Particulars	2007	2006
Audit fee's	2.38	1.71
Fees for consolidated Financial statement	0.28	
Certificate and Other services	1.33	0.51
Out of pocket expenses	0.11	
Total: -	3.99	2.22



## OM METALS INFRAPROJECTS LTD.

- i. Audit fees includes service tax of Rs. 0.21 lacs ( Previous year Rs. 0.19 lacs.)
  - ii. Rs. 0.52 lacs Paid for other services to auditors in which he is prop. of Chartered Accountant firm.
6. Remuneration to Directors :

(Rs. in Lacs)

S.No.	Particulars	2006-2007	2005-2006
i)	Managerial Remuneration U/s 198 of the Companies Act 1956. (Directors)	57.90	31.20
ii)	Consultancy (Chairman)	1.20	1.20
iii)	Other Perks and benefits (Includes in Misc. Exp.)	14.79	11.69

Note: -

- i) No Commission was paid to the Directors.
  - ii) Directors and executive i.e. Shri C.P. Kothari, Shri D.P. Kothari, Shri Sunil Kothari and Shri Vikash Kothari are covered under keyman insurance plan (LIC) of the company and premium paid of Rs. 18.95 lacs during the year (Previous year Rs. 18.95 lacs)
7. Earning per Shares ( E.P.S.)

S.No.	Particulars	2007	2006
i)	Calculation of weighted average number of face value of equity shares of Rs. 1 each No. of shares at the beginning of the year.	56191150	56191150 *
	Equity share issued (effective 28.2.2007 ) refer note no 9 below . pursuant to the scheme of amalgamation	20112659	
	New equity shares issued under QIB (effective 23.01.2007)	20000000	
	Total equity shares outstanding at the end of the year	96303809	56191150
	Weighted average no of equity shares outstanding during the year.	61570580	56191150
ii)	Net Profit after Tax available for equity shares holders (Rs.)	235891217	223640369
iii)	Basic and diluted earning per shares ( Rs.)	3.83	3.98
iv)	Nominal value of equity shares (Rs. )	1	1

**\*The equity shares of the face value of Rs. 10/- each were sub divided in to 10 equity shares of Rs. 1/- each with affect from 06-08-2005.**

8. Sundry creditors for goods and others includes Rs. 2.89 lacs due to suppliers covered under the 'interest on delayed payments to small scale and ancillary industrial undertaking Act, 1993' to the extent such parties have been identified from the available information. The Company has not received any claim for interest from any suppliers under the said Act.

The name of small scale industrial undertakings to whom the company owes amounts outstanding for more than 30 days as At March 31, 2007 are Aditya Air Product, Assam Air Product, Asia Metal & Alloys, Ashoka Machine Tools, Alfa Mechnosys, Kota Oxygen, Bartawal Iron & Steel, Gwalic Electrical, & Matel link Alloys.



Based on the information available with the company, the balance due to micro, small and medium Enterprise as defined under the ' The Micro, Small & Medium Enterprises Development Act, 2006' is Rs. 2.89 Lacs. Further no interest during the year has been paid or is payable under the terms of the ' The Micro, Small & Medium Enterprises Development Act, 2006'.

9. Amalgamation of erstwhile Om Rajasthan Carbide Limited, Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited with the company :-
    - a)i) Om Rajasthan Carbide Limited was engaged in the fabrication and Erection of gate and gate parts.
    - ii) Jupiter Manufacturing Co. (P) Limited was engaged in the fabrication and erection of gate and gate parts.
    - iii) Om Structurals India (P) Limited : was engaged in the business of manufacturer, processors , buyer , sellers , stockiest or other wise deals in all type of aluminum products and to carry on the business of all type of iron and steels founders , fabricators, manufacturer . Presently the company is carrying on the business of erection /fabrication of gate and gate parts.
    - iv) Om Kothari Cement & Chemicals (P) Limited was engaged in the business of manufacturing oxygen gas and trading in D.A. gas and fabrication /erection of dam gate and gate parts.
    - v) S.A.H. Buildcon (P) Limited was engaged in the business of builders , developers , constructors and property dealers.
    - vi) Richa Builders (P) Limited was engaged in the business of builders , developers , constructors and property dealers.
  - b) Pursuant to the scheme of arrangement and amalgamation amongst the company and Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited and their respective shareholders and creditors (the scheme of amalgamation) as sanctioned by the Hon'ble High court of judicature of Rajasthan , Jaipur bench, Jaipur vide their order dated 19.01.2007. The assets and liabilities of Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited were transferred to and vested in the company with effect from 15.02.2007. The scheme of amalgamation has accordingly been given effect to in the accounts.
  - c) In terms of the Accounting Standard 14 – Accounting for Amalgamation issued by the Institute of Chartered Accountants of India, the scheme of Amalgamation is accounted under “purchase method” wherein all the assets and liabilities (except for miscellaneous expenditure recorded at zero value) of Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited have been accounted for at their carrying amounts on 15.02.2007 except land and building which are taken on market price as on 31.03.2005.
  - d) Pursuant to the scheme of amalgamation the company allotted total 20112659 equity shares of Rs. 1/- each to the share holder of Om Rajasthan Carbide Limited (5476259 equity share) , Jupiter Manufacturing Co.(P) Limited (5318400 equity shares) , Om Structurals India (P) Limited (5808000 equity shares), Om Kothari Cement & Chemicals (P) Limited (1410000 equity shares) , S.A.H. Buildcon (P) Limited (1050000 equity Shares)and Richa Builders (P) Limited (1050000 equity shares)
  - vi) Consequent upon giving effect to the scheme of amalgamation , an amount of Rs. 8167.12 lacs arising as capital reserve, being the difference between :-
    - a) The aggregate value of the equity shares allotted
    - b) The net book value or market price of assets and liabilities of Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited as on 15.02.2007.
10. Segment Reporting:



## OM METALS INFRAPROJECTS LTD.

a) Primary segment :

Business Segment Based on the guiding principles given in Accounting Standard AS -17 “Segment reporting” issued by the Institute of Chartered Accountants of India, the Company’s operating business are organized and managed separately according to the nature of products manufactured and services provided . The three identified reportable segments are turn key contracts of Gates, Cranes, Hoist for Irrigation & Power projects and real estate in the Engg. Division, the Other segments includes Cinema & Film distribution for exhibition ( Entertainment) in Multiplex Division , running of Hotel Cum revolving restaurant in Hotel division .

b) Secondary segment : Geographical segments :

Since the company’s activities/operations are primarily with in the country and considering the nature of products/services it deals in , the risk and returns are same and as such there is only one geographical segments, The following is the distributions of the company’s consolidated revenue by geographical markets, regardless of where the goods/services were produced .

(Rs. In lacs)

Particulars	Current year	Previous year
Revenue from domestic market	8586.25	7299.21
Revenue from overseas market	514.60	25.94

The company has common assets for producing goods for domestic market and overseas markets. Hence separate figures for assets /additions to fixed assets can not be furnished .

c) Segment accounting polices :

In addition to the significant accounting policies applicable to the business segment as set in note 1 of schedule 19 “notes to accounts” the accounting policies in relation to segment accounting are as under:

i) Segment revenue & expenses :

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

ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowance and provisions, which are reported as direct off sets in the balance sheet. Segment. Liabilities include all operating Liabilities and consist principally of creditors & accrued liabilities. Segment assets and liabilities do not include deferred income taxes except in the Engg. Div. While most of the assets/liabilities directly attributed to individual segments.

iii) Inter segment sales :

Inter segment revenues between operating segments are accounted for at market price. These transaction are eliminated in consolidation.

iv) The main division is Engg. Division and funds provided by Engg. Division to other division and interest on such balances are not charged.

11. Related Party disclosure under Accounting Standard AS-18 “ Related party disclosures” issued by the Institute of Chartered Accountants of India:

During the year, the company entered into transactions with the related parties. Those transactions along with related balance as at 31<sup>st</sup> March 2007 and for the year ended are presented in the following tables.

List of related parties with whom transactions have taken place during the year along with nature and volume of transactions are summarized as follows.





a) List of related parties and relationship:

Name of the related party	Relationship
Om Metal Auto (P) Limited Om Metals Real Estate (P) Limited Om Metals Ratanakar (P) Limited	Subsidiary company
Om Structural India (P) Limited (upto 15.02.2007 *) Om Rajasthan Carbide Limited (upto 15.02.2007 *) Om Kothari Cement & Chemicals (P) Limited (upto 15.02.2007*) Om Kothari Steel & Alloys Limited Richa Builders (P) Ltd. (upto 15.02.2007*) SAH Build con (P) Ltd. (upto 15.02.2007*) Lambodar Finvest (P) Ltd. Jupiter Mfg. Co. (P) Ltd. (upto 15.02.2007*) Om Kothari Pariwarik Trust Om Kothari Foundation Well Wisher Construction & Finance (P) Ltd. Hingiri Dealcom (P) Limited Bahubali Housing Co. (P) Limited Benzer Agencies Limited	Enterprises over which significant influence exercised by directors.
Om Kothari Enterprises Limited Baba Vinimay (P) Limited	Associate Promoter holding more than 20% or under the same management
1) OML+ JSC. Ukrain (JV) Kameng 2) Om Metals Consortium 3) Om Metals Infotech (P) Limited 4) Om Metals Developers (P) Limited 5) Murthal Tanks & vessels (P) Limited 6) Pondicherry SEZ Company Limited 7) Pondicherry Port Limited	Joint Venture/ Partnership firm
<b>Key Management persons</b> Shri T.C. Kothari Shri C.P. Kothari Shri D.P. Kothari Shri Sunil Kothari Shri Vikash Kothari Shri Vivek Kothari	Key Managerial Personnel



## OM METALS INFRAPROJECTS LTD.

<b>Relatives of Key management persons</b> Smt. C. Manjula Kothari Smt. D. Manjula Kothari Seema Kothari Smt. Anita Kothari C.P. Kothari & Sons	Relative of directors
--	-----------------------

\* All the above companies amalgamated as per scheme of a amalgamation Approved by the Hon'ble High court Rajasthan Jaipur on 19.01.2007 Effective from 15-02-07 The transaction are upto 15.02.2007 have been considered for the above companies . The closing balance as on 31.03.2007 are not shown due to the reason that these are not related parties as on that date .

12)i) The details of disputed income tax , service tax , sales tax & Excise duty as on 31-03-07 are as follows.

Nature of the Statute	Nature of the Dues	Forum where dispute is pending	Demand Amount (Rs. in Lacs.)	Period to which the amount relates
Central Sales Tax Act, 1956. and Sales Tax Act of various states	Sales Tax	Commissioner (Appeals)/Tribunal High court	111.59*7.19	1984-85,1985-86 1990-91 to 1997-98, 02-03, 04-05 to 2005-061986-87
Central Excise Act, 1944	Excise Duty	Tribunal/ Commissioner (Appeal)	98.74	1987 to 1990, 1997-98, 2000 to 2006
Income Tax Act, 1961	Income Tax	CIT Appeal/ITAT	129.13**	1991-92,,96-97, 2001-02 to 2004- 2005 and amalgamated Co. OSIPL-94-95, 2004- 05, OKCC-2004-05, ORC-2004-05, JMCPL-2004-05

\* Against it , the company paid Rs. 7.55 lacs and \*\* Rs. 138.78 lacs.

- ii) A show cause notice of service tax received by the company that service tax is payable on erection receipts in Engg. division for the period from 01.04.2004 to on ward. There is no quantum of amount of service tax determined by the department. The company replied suitably .
13. Advance for Capital goods includes Rs 4.23 Lacs paid to Topkhana desh grih Nirman Samiti for purchasing of Land at Jaipur for construction of building . The matter is under subjudice.
14. Expenses relating to earlier year amounting to Rs . 1.22 Lacs (Previous Rs. 3.72 lacs) debited to misc & respective expenses heads .
- 15) Details of investments in the units of various Mutual Funds purchased and sold during the year are given below :-

Scheme Name	No. of Units purchased/O/B	No. of units Sold	Purchase Value (Rs.)	Sales Value (Rs.)
ABN Amro Mutual funds	20000	20000	230376	211187.38





16. Deferred Tax Liabilities (Net) :- (Rs. In Lacs)

Particulars	Deferred tax (assets)/ Liabilities as at 01.04.2006	Current year (charge)/ credit	Deferred tax (assets)/ liabilities as at 31.03.2007
Difference between book & tax depreciation	22290653	-4355327	17935326
Provision for gratuity/ Leave with wages	-676800	-546478	-1223278
Others	-267083	0	-267083
Total :-	21346770	4901805	16444965

17. Information in respect of joint venture and partnership: -

(Rs. in lacs)

Joint venture (JV) Companies and Partnership firm (PF): Current Year

S.No.	Name of Company/ firm	OML + JSC Ukrain , Kaming (JV)	Om Metals Conсор. (PF)	Om Metals Infotech (P) Ltd.(JV)	Om Metals Developers (P) Ltd.(JV)	Murthal Tanks & Vessels (P) Ltd. (JV)
1	Proportion of ownership interest	60%	35% See note (b)	50%	25%	50%
2	Country of incorporation or registration	India	India	India	India	India
3	Accounting period ended	31.03.07	31.03.07	31.03.07	31.03.07	31.03.07
4	Assets	1973.81	2313.64	1229.78	587.82	-
5	Liabilities	1973.81	668.57	1229.28	587.57	-
6	Income	82.06	0.00	0.62	0.06	-
7	Expenditure	69.87	2.65	0.55	0.05	-
8	Contingent Liabilities	Nil	N.A	Nil	N.A	-
9	Capital commitments	Nil	N.A	Nil	N.A	-
10	Date of Creations of JV/firm					
11	Remarks	-	See note "C"	See note "D"	See note "C"	See note "E"



## OM METALS INFRAPROJECTS LTD.

S.No.	Name of Company/firm	Pondicherry SEZ Co.Limited	Pondichary port limited	
1	Proportion of ownership interest	37%	50%	
2	Country of incorporation or registration	India	India	
3	Accounting period ended	31.03.07	31.03.07	
4	Assets	209.29	133.71	
5	Liabilities	206.59	131.21	
6	Income	0.0	0.00	
7	Expenditure	0.00	0.00	
8	Contingent Liabilities	N.A	N.A.	
9	Capital commitments	N.A	N.A	
10	Date of Creations of JV/firm			
11	Remarks	See note "C"	See note "C"	

### Joint venture companies (JV)/Partnership firm in **Previous year**

(Rs. In Lacs)

S.No	Name of company	OML + JSC ukrain, Kaming (JV)	Om Metals consortium (PF)	
1	Proportion of ownership	60%	See note - b	
2	Country of incorporation or registration	India	India	
3	Accounting period ended	31.03. 06	31.03.06	
4	Assets	503.04	781.47	
5	Liabilities	1508.61	14.92	
6	Income	30.76	0.00	
7	Expenditure	-	-	
8	Contingent Liabilities	2436.50	1000.00	
9	Capital commitments	-	-	
10	Remarks		See note "C"	

#### Note :-

- The above details represent proportionate amount of the company's share in the joint ventures/firm.
- Om Metals consortium is a partnership firm. Following are partner & their share ratio in profit/loss are as per deed drawn up Nov. 2005 :-



Name of partner	Share ratio
Om Metals Infraprojects Limited	35.00%
Subhash projects & marketing Ltd.	10.00%
Nikhil Township (P) Limited	30.00%
Amrfina Construction (P) Ltd.	10.00%
Morya Housing Limited	10.00%
Wellwisher Cons. & Finance (P) Ltd.	5.00%

- c) Figures are taken in the books of accounts on the basis of unaudited financial results in current year as well as in the previous year. (N.A = Not available)
- d) The company made investment of Rs. 1086.41 Lacs in Om Metals Infotech (P) Limited (Joint Venture) As per latest available financial statement of Om Metal Infotech (P) Limited, The company has purchased properties along with plant & machinery of a Sick company amounting to Rs. 2401.98 lacs. The matter is under subjudice. Legal opinion taken by the company (JV), The company (JV) believes that there is fair chance of decision in its favour.
- e) The Figures of Joint Venture and Associate companies i.e. Murthal Tanks & Vessels Pvt. Ltd., Om Kothari Enterprises Ltd., Baba vinimay (P) Limited are not available. The balance sheet of the joint venture and Associates companies are under preparation.
18. As per accounting standard 21 on “ consolidated financial statements “ and accounting standard 23 on “ Accounting for investment in associates in consolidated financial statements” issued by the institute of Chartered Accountants of India, The company has presented consolidated financial statements including subsidiary and associates. Accordingly segment information as required under Accounting Standard 17 (AS-17) on segment reporting is included under the notes to consolidated financial statements subject to note no 17 e.
19. The company has given the multiplex to Inox Leisure Ltd for Operating under business agreement on profit sharing basis for a period from 16.06.2006 to 15.06.2013.
20. Additional information pursuant to the provision of paragraph 3, 4C & 4D of part II of Schedule VI to the Companies Act 1956 is given below.
- a) Particulars in respect of Licensed and installed capacity.

Product	Unit	Licensed capacity 2006-2007	Licensed capacity 2005-2006	Installed capacity* 2006-2007	Installed capacity* 2005-2006
<b>Engg. Div.</b>					
Engg. Goods	MT	N.A	N.A	5000 MT/PA	5000 MT/PA
<b>Hotel Div.</b>					
No. Rooms	No	N.A.	N.A	58	58
<b>Multiplex Div.</b>					
Seating capacity	No.	N.A.	N.A.	1117	1117

\* As certified by the management.



## OM METALS INFRAPROJECTS LTD.

- b) Particulars in respect of opening stock, Goods manufactured, sales, closing stocks and Trading Activities are given in annexure no. 1.
- c) Particulars in respect of consumption of raw material, accessories and bought out items are given in annexure no. 1.
- d) **Multiplex Division:**  
Multiplex division of the company is mainly engaged in the business of sales of tickets. The sales of tickets are not capable of being expressed in any generic units. Hence it is not possible to give quantitative details and information's required under paragraph 3, 4C & 4D of part II of schedule 6 of the companies act 1956.
- e) **Hotel division:**  
Hotel Division of the company is mainly engaged in the business of sale of room and restaurant income. It is not practical to give the quantitative wise details in respect of purchases consumption, turnover and stock etc. The company has been granted exemption from Ministry of company affairs vide their order dated 15.02.2007.to disclose the quantitative details in compliance of paragraph 3, 4C & 4D of part II of schedule VI of the companies act. 1956.for the year ending on 31.03.2006, 31.03.2007 & 31.03.2008.
- f) **Other Additional information.**

	(Rs. in Lacs)	
	Current Year	Previous Year
i) C.I.F. Value of Imports (on cash basis) :		
Raw Material	444.85	635.87
Capital Goods	0.00	0.00
ii) EXPENDITURE IN FOREIGN CURRENCY (on cash basis):		
Capital	Nil	Nil
Traveling	50.10	9.00
iii) Income in Foreign Currency		
Room rent & other services (on cash basis)	21.76	25.94
iv) Net dividend remitted in foreign currency:		
- No. of NRI share holders		
- No of shares held by them		
- Dividend paid (Rs. In lacs)	Nil	Nil
- Year to which dividend relates	Nil	Nil
v) VALUE OF RAW MATERIAL & STORES AND COMPONENTS CONSUMED:		
a) Raw Material		
Imported	444.85	635.87
Indigenous	2923.40	2654.49
b) Stores & Spares & Components		
Imported	0.00	0.00
Indigenous	288.87	198.24



21. Loans and Advances includes following Amounts due from subsidiary / Joint Venture: -

Rs. In Lacs

	Amt. outstanding as at	Amt. outstanding as at	Max Amt. outstanding as at	Max Amt. outstanding as at
	31.03.2007	31.03.06	31.03.07	31.03.06
Pondicherry SEZ Co. Ltd	303.79	0	303.79	0
Pondicherry Port Ltd	122.12	0	122.12	0
Murthal Tanks & Vessels Pvt. Ltd.	1500.00	0	1500.00	0
Om Metals Developers Pvt. Ltd,	650.28	0	650.28	0
Om Metals Infotech Pvt. Ltd	1079.41	0	1079.41	0
Om Metals Auto Pvt. Ltd (Sub)	17.96	0	17.96	0

22. In accordance with the Accounting Standard – 7 on ‘ Construction Contracts ‘ issued by ICAI , the breakup of the contracts in progress at the reporting date is as under which is included in Engg. Division :

Rs. In Lacs

Particular	As of 31.03.2007	As of 31.03.2006
Revenue recognized	237.80	99.90
Cost Incurred		
Advance Received		
Retentions	0	0

23. Public Offer

- (a) During the year, the company has issued and allotted 12000000 equity share of face value of Rs. 1/- each at a premium of Rs. 59/- per equity shares to qualified institutional buyers (QIB)

Particular	Projected Utilisation as per the prospectus	Actual utilization as of 31.03.2007
Strengthening the company's Capital base, part funding of capital expenditure for the Engg. Div and Real Estate Project, Strategic alliances and acquisition, Capital expenditure directly or through its subsidiary.	Rs. 11428.20 Lacs	
QIB Expenses	Rs. 571.80 Lacs	Rs. 572.80 Lacs
Total :-	Rs. 12000.00 Lacs	Rs.

- (b) Of the fund raise through the QIB, the company as utilized the fund as follows: -

The unutilized funds of Rs. 100 crores as at at 31.03.2007 have been temporarily invested in FDR with ABN Amro Bank.

24. Pursuant to scheme of amalgamation erstwhile Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, Om Raj Carbide Limited, Jupiter Manufacturing co. (P) Limited, Richa Builders (P) Limited, SAH Buildcon (P) Limited was amalgamated with the company w.e.f. 15.02.2007. Therefore the results of the year ended on 31.03.2007 are not strictly comparable with the previous year.
25. Figures for previous year have been re-arranged/regrouped wherever necessary to Make them comparable.



## OM METALS INFRAPROJECTS LTD.

- 26 The company has claimed deduction U/s. 80 IA(4) of Income Tax Act , 1961 on the profit of Goshikhurd Project, however as per Finance Act, 2007 the following amendments have been made in the income tax act.

80IA(4) after sub section 13

*Explanation – for the removal of doubts , it is hereby declared that nothing contained in this section shall apply to a person who executes a works contract entered into with the under taking or enterprise, as the case may be .*

i.e. the above explanation have been added in the Finance Act,2007. The company has taken opinion of tax experts and as per the said opinions the company is hopeful to get benefit under section 80 IA (4), therefore the company has not made any provisions for the liability arises if the deduction is denied by the authorities. However , so far the department have not taken any action against the company therefore neither the liability quantified nor provided.

27. Schedule 1 to 19 and the statement of additional information form an integral Part of the Balance Sheet & Profit and Loss Account and have been duly authenticated.

**SIGNED FOR IDENTIFICATION**

For M.C.Bhandari & Co.

Chartered Accountants

S. K. Mahipal

Partner

M.No.70366

38, SHOPPING CENTRE

KOTA (RAJ.)

DATED: 30-06-2007

For and behalf of Board of Directors

T.C.Kothari  
(Chairman)

C.P.Kothari  
(M.Director)

D.P.Kothari  
(Director)

Priya Jain  
(Company Secretary)

Statement pursuant to section 212 of the Companies Act,1956

Name of subsidiary company	Financial year ending of the sub.	No. of shares held by the company	Extent of holding %	For financial year of the subsidiary	
(1)	(2)	(3)	(4)	(5)	(6)
				Profit/(loss) so far as it concerns the members of the holding company and not dealt with in the books of accounts of the holding company (except to the extent dealt with in col.6)	Profit/(loss) so far as it concerns the members of the holding company and dealt with in the books of accounts of the holding company.
				Rs. In Lacs	Rs. In Lacs
Om Metals Auto Pvt. Ltd.	31.03.2007 (31.03.2006)	25500 (25500)	51% (51%)	2.98 (8.10)	— —
Om Metal Real Estate (P) Limited	31.03.2007	9900	99%	(-0.03)	-
Om Metal Ratnakar P.Ltd.	31.03.2007	9900	99%	(-0.03)	-



**Transaction during the year with related parties (Excluding reimbursement)**

Name of company	Nature of Transaction	2006-07	2005-06
<b>A. with subsidiary company</b>			
<b>1. Om Metals Auto Pvt. Ltd.</b>	<b>Opening balance as at 01.04.06</b>	2.55	2.55
	Loans & Advances	0.00	1.76
	Creditors	1.71	0.00
	Security deposit(received)	5.00	0.00
	<b>Transactions</b>		
	Net move. in loans & Adv. Dr.&Cr..		16.73
	Job work(Vehicle repair)		3.67
	Share of Net Profit (loss) on A/c of hiring of F.A.	5.86	-1.95
	Security deposit(received)	0.00	5.00
	<b>Closing balance as on 31.03.07</b>		
	Investment in equity shares	2.55	2.55
	Creditors	0.00	1.71
	Loans & Advances	17.96	0.00
	Security receipts	5.00	5.00
2. Om Metals Real Estate P.Ltd.	<b>Transactions</b>		
	Investment in equity shares	0.99	
3. Om Metals Ratnakar P.Ltd	<b>Transactions</b>		
	Investment in equity shares	0.99	
<b>B. with associate promoter holding more than 20% equity</b>			
<b>1. Om Structural (I) Pvt. Ltd.</b>	<b>Opening balance as at 01.04.06</b>		
	Creditors	23.27	1.29
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr/Cr	100.00	0.00
	Job work	43.35	41.62
	Hire/Rent charges	2.80	4.20
	Dividend	0.00	3.60
	<b>Closing balance as on 31.03.07</b>		
	Creditors	0.00	23.27
<b>2. Om Rajasthan Carbide Limited</b>	<b>Opening balance as at 01.04.06</b>		
	Loans and advances	0.16	1.61
	<b>Transactions</b>		



## OM METALS INFRAPROJECTS LTD.

	Job work	18.49	12.98
	<b>Closing balance as on 31.03.07</b>		
	Loans and advances	0.00	0.16
<b>3. Om Kothari Cement &amp; Chemicals P. ltd.</b>	<b>Opening balance as at 01.04.06</b>		
	Loans and advances		40.39
	Creditors	0.37	
	Security deposit given	20.00	
	<b>Transactions</b>		
	Job work	35.39	50.55
	Security deposit given	0.00	20.00
	<b>Closing balance as on 31.03.07</b>		
	Creditors	0.00	0.37
	Security deposit given	0.00	20.00
<b>4. Om Kothari Steel &amp; Alloys Limited</b>	<b>Opening balance as at 01.04.06</b>		
	Creditors	36.67	30.99
	<b>Transactions</b>		
	Job work	30.87	14.30
	<b>Closing balance as on 31.03.07</b>		
	Creditors	24.10	36.67
<b>5. Richa Builders Pvt. Ltd.</b>	<b>Opening balance as at 01.04.06</b>		
	Creditors	2.49	1.30
	<b>Transactions</b>		
	Hire/Rent charges	1.82	2.04
	<b>Closing balance as on 31.03.07</b>		
	Creditors	0.00	2.49
<b>6. SAH Build con (p) Ltd.</b>	<b>Opening balance as at 01.04.06</b>		
	Creditors	2.49	1.28
	<b>Transactions</b>		
	Hire/Rent charges	1.79	2.04
	<b>Closing balance as on 31.03.07</b>		
	Creditors	0.00	2.49
<b>7. Lambodar Fin Vest Pvt. Ltd.</b>	<b>Opening balance as at 01.04.06</b>		
	Advance agst. Fixed assets(goods)	28.50	37.00
	Loans and advances	0.00	0.67
	<b>Transactions</b>		
	Adv.agst fixed assets	7.50	0.00
	Hire/Rent charges		
	Advance given/Taken	29.50	4.44





	<b>Closing balance as on 31.03.07</b> Adv. For purchases of goods	36.00	28.50
<b>8. Om Kothari Enterprises Ltd.</b>	<b>Opening balance as at 01.04.06</b> Investment in equity shares	75.95	75.95
	<b>Transactions</b> Net movements in loans	0.00	0.24
	Job work	6.96	0.00
	<b>Closing balance as on 31.03.07</b> Investment in equity shares	75.95	75.95
<b>9. Jupiter Manufacturing Co. P. Ltd.</b>	<b>Opening balance as at 01.04.06</b> Loans and advances		39.02
	Security Deposite	27.50	0.00
	Creditors	0.19	0.00
	<b>Transactions</b> Job work	18.84	22.49
	Security deposit given	0.00	27.50
	<b>Closing balance as on 31.03.07</b> Creditors	0.00	0.19
	Security deposit	0.00	27.50
<b>10.Om Kothari Pariwarik Trust</b>	<b>Opening balance as at 01.04.06</b>	0.00	0.00
	<b>Transactions</b> Hire/Rent charges	2.14	2.14
	<b>Closing balance as on 31.03.07</b> Creditors	0.41	0.00
<b>11.Om Kothari Foundation</b>	<b>Opening balance as at 01.04.06</b>		
	<b>Transactions</b> Donation	22.32	1.30
	Hire/Rent charges	0.96	0.96
	<b>Closing balance as on 31.03.07</b>	0.00	0.00
<b>12. Well wisher const &amp; Finance pvt. Ltd.</b>	<b>Opening balance as at 01.04.06</b> Advances for Fixed Assets	73.37	72.40
	<b>Transactions</b> Advance agst. F.A.	1.12	0.97
	<b>Closing balance as on 31.03.07</b> Loans and advances given ag. F.A.	74.49	73.37
<b>13. Hingiri Dealcom (P) Ltd.</b>	<b>Opening balance as at 01.04.06</b> Loans and advances	0.00	0.18
	Advance against FA	51.00	51.00



	<b>Transactions</b>		
	Net movements in loans	2.05	0.00
	Advance agst. F.A.	74.00	0.00
	Advance given	0.00	44.29
	Investment in Equity Share	0.32	0.00
	<b>Closing balance as on 31.03.07</b>		
	Loans and advances	2.05	0.00
	Investment in Equity Share	0.32	0.00
	Advance for purchases of FA	125.00	51.00
<b>14. Benzer agencies ltd.</b>	<b>Opening Balance as on 01.04.06</b>		
	<b>Transaction</b>		
	Advance given	3.75	36.52
	Advance received	3.75	0.00
	<b>Closing balance as on 31.03.07</b>		
<b>15. Bahubali Housing Pvt. Ltd.</b>	<b>Opening balance as at 01.04.06</b>		
	Loans and advances Cr.	0.00	2.71
	<b>Transactions</b>		
	Loans and advances Dr/Cr.	2.60	0.00
	Creditors	10.88	0.00
	Income	8.75	5.38
	<b>Closing balance as on 31.03.07</b>		
	Creditors	2.13	0.00
<b>C. Joint Venture</b>			
<b>1. Oml+Jsc Ukrain JV Kameng</b>	<b>Opening balance as at 01.04.06</b>		
	Advance recd from JV.	1630.50	0.00
	<b>Transactions</b>		
	Share of profit(Income)	12.19	7.89
	Net movements in loans taken	153.58	0.00
	<b>Closing balance as on 31.03.07</b>		
	Advance from JV	1771.89	1630.50
<b>2. Om Metal Consortium JV</b>	<b>Opening balance as at 01.04.06</b>		
	Capital contribution	20.15	0.00
	<b>Transactions</b>		
	Net movements in Capital Dr	1627.56	0.00
	<b>Closing balance as on 31.03.07</b>		
	Capital contribution in JV	1647.71	20.15
<b>3. Om Metal Infotech P.Ltd</b>	<b>Transactions</b>		
	Net movements in Capital Dr	1086.41	0.00
	Purchases of Equity Shares	0.50	0.00



	<b>Closing balance as on 31.03.07</b>		
	Capital contribution in JV	1086.41	0.00
	Investment in Equity Shares	0.50	0.00
4. Om Metal Developers P.Ltd	<b>Transactions</b>		
	Net movements in Capital Dr	650.28	0.00
	Purchases of Equity Shares	0.25	0.00
	<b>Closing balance as on 31.03.07</b>		
	Capital contribution in JV	650.28	0.00
	Investment in Equity Shares	0.25	0.00
5. Murthal Tanks & Vessels P.Ltd	<b>Transactions</b>		
	Net movements in Capital Dr	1500.00	0.00
	Purchases of Equity Shares	0.50	0.00
	<b>Closing balance as on 31.03.07</b>		
	Capital contribution in JV	1500.00	0.00
	Investment in Equity Shares	0.50	0.00
6. Pondicherry SEZ Co.Ltd.	<b>Transactions</b>		
	Net movements in Capital Dr	304.41	0.00
	Purchases of Equity Shares	2.70	0.00
	<b>Closing balance as on 31.03.07</b>		
	Capital contribution in JV	304.41	0.00
	Investment in Equity Shares	2.70	0.00
7. Pondicherry Port Ltd.	<b>Opening Balance as on 01.04.06</b>		69.91
	<b>Transactions</b>		
	Net movements in Capital Dr	52.21	69.91
	<b>Closing balance as on 31.03.07</b>		
	Capital contribution in JV	122.12	69.91
<b>D. Directors of the company</b>			
<b>1. Shri T.C. Kothari</b>	<b>Opening Balance as on 01.04.06</b>	0.00	0.00
	<b>Transaction</b>		
	Consult. & fees for board meeting	1.20	2.10
	Hire/rent charges	0.48	0.48
	<b>Closing balance as on 31.03.07</b>	0.00	0.00
<b>2. Shri C.P. Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Net movements in loans Dr. & Cr.	1.03	2.71
	Hire charges/Rent paid	1.38	1.38
	Director Remuneration	27.00	16.50
	<b>Closing balance as on 31.03.07</b>		
	Security deposit outstanding	10.00	10.00



<b>3. Shri D.P. Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	7.50	5.00
	<b>Transaction</b>		
	Net movements in loansDr/ Cr	2.89	2.50
	Hire charges/Rent paid	0.45	0.30
	Director Remuneration	24.00	14.70
	<b>Closing balance as on 31.03.07</b>		
	Security deposit outstanding	7.50	7.50
<b>4. Shri Sunil Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	5.00	5.00
	<b>Transaction</b>		
	Salary and allowances	6.9	0.72
	Hire charges/Rent paid	0.54	0.54
	<b>Closing balance as on 31.03.07</b>		
	Security deposit outstanding	5.00	5.00
<b>E. Relatives of Directors</b>			
<b>1. Smt. C. Manjula Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Hire charges/Rent paid	1.08	1.08
	<b>Closing balance as on 31.03.07</b>		
	Security deposit outstanding	10.00	10.00
<b>2. Smt. D. Manjula Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Hire charges/Rent paid	1.08	1.08
	<b>Closing balance as on 31.03.07</b>		
	Security deposit outstanding	10.00	10.00
<b>3. Seema Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	5.00	5.00
	<b>Transaction</b>		
	Hire charges/Rent paid	0.60	0.60
	<b>Closing balance as on 31.03.07</b>		
	Security deposit outstanding	5.00	5.00
<b>4. Smt. Anita Kothari</b>	<b>Opening Balance as on 01.04.06</b>		
	Security deposit outstanding	12.50	10.00
	<b>Transaction</b>		
	<b>Security Deposit</b>	0.00	2.50
	Hire charges/Rent paid	0.45	0.30



	<b>Closing balance as on 31.03.07</b> Security deposit outstanding	12.50	12.50
<b>5. C.P. Kothari &amp; Sons</b>	<b>Opening Balance as on 01.04.06</b> <b>Transaction</b> Net movements in loans Dr. Net movements in loans Cr. <b>Closing balance as on 31.03.07</b> Loans & Advance Dr.	10.38 9.7 0.68	9.37 9.22 0.15
<b>6. Vikas Kothari</b>	<b>Opening Balance as on 01.04.06</b> <b>Transaction</b> Hire charges/Rent paid Salary and allowances <b>Closing balance as on 31.03.07</b>	0 0.66 0.66 0	0 0.66 0.66 0
<b>7. Shri Vivek Kothari</b>	<b>Opening Balance as on 01.04.06</b> <b>Transaction</b> Salary <b>Closing balance as on 31.03.07</b>	0.00 4.20 0.00	0.00 2.10 0.00

**d) Information about business segments :**

**d) Information about business segments :**

Particulars	Engg, Div.		Multi plex Div.		Hotel & Res. Div.		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<b>(1) Segment Revenue:</b>								
External sales/income (Net)	8394.05	6520.23	211.85	369.85	585.88	488.74	9191.78	7378.82
Other receipt	478.43	921.21	2.81	19.81	26.80	15.79	508.04	956.81
Inter segment sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<b>8872.48</b>	<b>7441.44</b>	<b>214.66</b>	<b>389.66</b>	<b>612.68</b>	<b>504.53</b>	<b>9699.82</b>	<b>8335.63</b>
<b>(2) Segment Results:</b>								
Segments results	2372.64	2232.31	144.68	210.44	158.24	70.20	2675.56	2512.95
Unallocated expenses (Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating profit before Int.	2372.64	2232.31	144.68	210.44	158.24	70.20	2675.56	2512.95
Financial exp.	385.26	163.14	13.51	12.00	60.56	63.62	459.33	238.76
Interest income	417.30	171.30	0.00	0.00	0.00	0.00	417.30	171.30
Income tax current	300.00	210.00	0.00	0.00	0.00	0.00	300.00	210.00
F B T	22.50	20.52	0.08	0.16	1.05	1.32	23.63	22.00
Deferred tax assets/Lia.	49.02	22.91	0.00	0.00	0.00	0.00	49.02	22.91
<b>Net Profit</b>	<b>2131.20</b>	<b>2032.86</b>	<b>131.09</b>	<b>198.28</b>	<b>96.63</b>	<b>5.26</b>	<b>2358.92</b>	<b>2236.40</b>
<b>3 (i) Other Information:</b>								
Segment Assets	32800.43	10700.09	369.92	385.56	3532.98	2172.87	36703.33	13258.52
Inter Branch	1419.19	1292.33	240.97	129.63	-1660.16	-1421.96	0.00	0.00
Unallocated assets								
<b>Total Assets</b>	<b>34219.62</b>	<b>11992.42</b>	<b>610.89</b>	<b>515.19</b>	<b>1872.82</b>	<b>750.91</b>	<b>36703.33</b>	<b>13258.52</b>
<b>Segments Liabilities:</b>								
Share Capital	963.04	561.91	0.00	0.00	0.00	0.00	963.04	561.91
Reserve & Surplus	24426.27	3722.25	503.44	372.35	1204.55	-62.77	26134.26	4031.83
Secured & Unsecured Loan	3681.42	1601.33	0.00	106.87	579.96	635.40	4261.38	2343.60
Segment liabilities	4984.45	5893.47	107.45	35.97	88.31	178.28	5180.21	6107.72
Unallocated liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	164.45	213.46	0.00	0.00	0.00	0.00	164.45	213.46
<b>Total Liabilities</b>	<b>34219.63</b>	<b>11992.42</b>	<b>610.89</b>	<b>515.19</b>	<b>1872.82</b>	<b>750.91</b>	<b>36703.34</b>	<b>13258.52</b>
<b>(iii) Capital Expenditure</b>								
Depreciation	7617.66	949.64	0.41	0.44	1333.73	20.18	8951.80	970.26
Amortisation	242.73	225.78	16.43	16.38	65.83	56.33	324.99	298.49
Non cash expenses other than depreciation	114.35	0.00	0.00	0.00	0.00	0.00	114.35	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00





**OM METALS INFRAPROJECTS LIMITED**  
**CASH FLOW STATEMENT for the year ended**

Particulars	Year ended	
	31-03-2007	31-03-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit After Depreciation	263352236.88	244549652.10
<b>Add:-</b>		
Depreciation	32498766.77	29849173.61
Interest and Bank Commission Paid	45933686.60	23876690.52
Public Issue Exp. Written off	11434865.00	0.00
	<b>353219555.25</b>	<b>298275516.23</b>
<b>Less:-</b>		
Interest Reciept	41729801.33	17429706.22
Profit on Sale of Fixed Assets	69290.63	1251845.38
	<b>41799091.96</b>	<b>18681551.60</b>
Operating Profit before working capital changes	311420463.29	279593964.63
<b>Adjustments for :</b>		
Trade and other receivable	-13421990.24	10242819.14
Inventories	9473549.43	-49505756.71
Loans & Advance	-429096317.06	9575540.91
Trade payable	-106073558.79	77085214.54
	<b>-227697853.37</b>	<b>326991782.51</b>
<b>Add:-</b>		
Interest and Bank Commission Paid	-45933686.60	-23876690.52
Direct Taxes Paid	-26065359.97	-23836315.01
Provision for Gratuity & Leave Encashment	1623524.00	152631.00
Net cash flow from operating activities <b>(A)</b>	<b>-298073375.94</b>	<b>279431407.98</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-64958893.00	-97026110.17
Increase in Capital,WIP and Advances	7370085.00	23837755.15
Investments	-171162958.08	-2258775.03
Sale of Fixed Assets	1071372.00	6805575.96
Interest received	41729801.33	17429706.22
Net cash flow from/used in investing activities <b>(B)</b>	<b>-185950592.75</b>	<b>-51211847.87</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Shares	20000000.00	0.00
Share premium/Share Capital	1180000000.00	0.00
Secured Loan as Term Loan	23172746.43	-14171765.05



## OM METALS INFRAPROJECTS LTD.

Secured Loan as Work Cap.	171882791.90	47812378.16
Unsecured Loan	-3276558.00	2279998.00
Dividend and Dividend Tax	-34776476.00	-37655102.00
Expenses on issue of Shares	-57174328.00	0.00
Net cash used in financing activities (C)	<b>1299828176.33</b>	<b>-1734490.89</b>
<b>Increase/(Decrease) in cashand cash equivalents</b>		
Opening Balance of cash & Cash Equivalents	530086071.20	303601001.98
A. Cash Flow from Operating Activities	-298073375.94	279431407.98
B. Cash Flow from Investing Activities	-185950592.75	-51211847.87
C. Cash Flow from Financing Activities	1299828176.33	-1734490.89
Closing Balance of cash & Cash Equivalents	<b>1345890278.84</b>	<b>530086071.20</b>

As per our Report of even date annexed

For M.C.Bhandari & Co.  
Chartered Accountants  
S. K. Mahipal  
Partner  
(Chairman)  
M.No.70366  
Place : Kota  
Dated : 30-06-2007

For and behalf of Board of Directors

T.C.Kothari  
(Chairman)  
C.P.Kothari  
(M.Director)  
D.P.Kothari  
(Director)  
Priya Jain  
(Company Secretary)





**OM METALS INFRAPROJECTS LIMITED**

**Balance Sheet abstract and company's general business profile :**

1.	<b>Registration details</b>	
	Registration No.	
	Balance sheet date	31st March 2007
2.	<b>Capital raised during the year</b>	(Amount in Rs. 000)
	Public Issue including premium	1200000
	Right Issue	Nil
	Bonus Issue	Nil
	Private placement (Promoter's contri.) Amalgamation	20113
3.	<b>Position of Mobilisation and deployment of funds :</b>	
	Total Liabilities	3152313
	Total Assets	3152313
	<b>Soureces of Funds :</b>	
	Paid up Capital	96304
	Reserves & Surplus	2613426
	Deffered tax Liabilities	16445
	Secured Loans	426138
	Unsecured Loans	0
	<b>TOTAL :-</b>	<b>3152313</b>
	<b>Application of Funds :</b>	
	Net fixed assets	1279356
	Investments	179079
	Net current assets	1648138
	Misc exp.	45740
		<b>3152313</b>
4.	<b>Performance of the company :</b>	
	Turn over	960889
	Total Expenditure	698537
	Profit before tax	262352
	Profit after tax	235891
	Earning per share in Rs.	3.83
	Dividend rate %	20%
5.	Generic names of there principal products/service of the company (As per monetary terms)	
	Item code No.	N.A.
	Products/ services description	1. Mfg. Of gate & gates parts & contract work and Real estate. 2. Hotel cum Revolving Restaurent 3. Cinema

Place : Kota

For and behalf of Board of Directors

Dated " 30-06-2007

T.C.Kothari  
(Chairman)

C.P.Kothari  
(M.Director)

D.P.Kothari  
(Director)

Priya Jain  
(Company Secretary)

## OM METALS INFRAPROJECTS LIMITED

Om Tower, Church Road, M.I. Road, Jaipur

**Annexure to notes no. 20 schedule no. 19 for the year ended on 31-03-2007**

		Current year	Previous year
a) Licenced capacity		N.A.	N.A.
b) Installed capacity		5000 M. T. Annum	5000 M. T. Annum
c) As certified by a director of the company		N.A.	N.A.
d) Opening stock, Production, Purchases, Sales & Closing stock		5000 M. T. Annum	5000 M. T. Annum

S. No.	Particulars	Unit	Opening stock				Production		Purchase				
			Current year		Previous year		Current year	Previous year	Current year		Previous year		
			Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	
1	Dam Gates, Hoist and other fabricated goods	Mt Set Nos Sqm	45.391 13.50	2471408.00	69.100 4	8356849.00	1237.898 387.00 2	442.614 731.50 56	0.00 19391984.00	9.566 36.000	32284623.00		
2	Scrap	Mt	32.512	418500.00	35.120	438510.00	109.578	7.132					
3	Flates	Nos											
	Total	Mt Set Nos Sqm	77.903 13.50	2889908.00	104.220 4	8795359.00		449.75 731.50 56.00 4438.06	19391984.00	9.566 36	32284623.00		



# OM METALS INFRAPROJECTS LIMITED

Om Tower, Church Road, M.I. Road, Jaipur

Annexure to notes no. 20 schedule no. 19 for the year ended on 31-03-2007

OM METALS INFRAPROJECTS LTD.



S.No.	Particulars	Unit	Sales				Closing Stock			
			Current year		Previous year		Current year		Previous year	
			Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
A	Dam Gates, Hoist and other fabricated goods	Mt	1053.987	436130540.77	521.280	263061434.54	229.302	9558580.00	45.391	2471408.00
		Set	416.5		659				13.500	
1	Sales of fabricated goods & bought out items	Nos	2		56					
		Sqm	628.30		4438.056					
2	Sales of Hydraulic Cylinder, power Pack & allied equipments	Set	91	151723737.00	99	209660243.00				
		Lot	22							
3	Escalation, Erection & Other receipts			227462182.00		169208345.46				
4	Scrap	Mt	26.980	337250.00	9.740	102534.00	115.110	1438870.00	32.512	418500.00
B	Flates - Om Enclaves Receipts - 23780000 Less:Dis/Rebate - 27996	Nos	17	23752004.00		9990000.00	1	1250000.00		
C	Receipts of hotel Business			59240265.44		48874082.82				
D	Receipts of Film Distribution & Exhibition & Share of Operating Profit			20532373.00		36985426.00				
	Total	Mt	1080.967	436130540.77	531.020		344.412	10997450.00	77.903	2889908.00
		Set	507.5	151723737.00	758				13.5	
		Nos	19		56		1	1250000.00		
		Sqm	628.30	227462182.00	4438.06					
	Escalation, Erection & Other Rec.			103524642.44						
	Real Estate, Hotel business, Film Dm ist.									
	Total Turnover			919178352.21		737882065.82		10997450.00		2889908.00



**OM METAL INFRAPROJECT LIMITED**  
**Om Tower, Church Road, MI Road Jaipur**

Particulars in respect of Consumption of Raw Material Accessories and bought out items for the year as on 31st March, 2007.

S.No.	Particular		2006-07		2005-06	
			Qty	Amount(Rs.)	Qty	Amount(Rs.)
1	Structural Steel	Mt	5763.833	178163765.71	5438.039	180723717.58
		Mtr	674		238	
		Nos			112	
2	Stainless Steel	Mt	95.276	9940150.00	90.111	8823279.60
		Mtr				
		Nos				
3	Castings	Mt	114.871	6218840.00	69.461	4214703.00
		Mtr				
		Nos			6	
4	Brass	Mt	5.948	1262669.00	15.706	952156.00
		Mtr				
		Nos				
5	Bought Out	Mt	2.284	98543761.00	0.580	108871867.99
		Mtr	38439		31116	
		Nos	1983		1246	
6	Accessories	Mt		8672183.67		7908965.62
		Mtr				
		Nos				
7	Civil Construction material	Mt		23931211.50		8948550.60
		Mtr				
		Nos				
8	Food & Beverage	Mt		8559262.94		8593224.78
		Mtr				
		Nos				
	<b>Total</b>	Mt	5982.212		5613.897	
		Mtr	39113.000		31354.000	
		Nos	1983.000		1364.000	
				335291843.82		329036465.17



## AUDITOR'S REPORT

**Auditor's Report to the Board of Directors of Om Metals Infra-projects Limited on the consolidated financial statements of Om Metals Infra-projects Limited, Its subsidiaries and joint ventures.**

1. We have audited the attached consolidated Balance sheet of M/s. OM METALS INFRA PROJECT LIMIED, Its subsidiaries and joint ventures as at 31.03.2007 , and also the consolidated profit and loss account and also the consolidated cash flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Om Metals Infracproject Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We have not audited the financial statements of a subsidiary and joint ventures of Om Metals Infracprojects Ltd., whose financial statements (to the extent of the group's proportionate share) reflect total assets of Rs (P.year Rs.989.61 Lacs) as at 31.03.2007, the total revenue of Rs. .... (Previous years Rs. 2862.65 Lacs ) and net cash outflows amounting to Rs. .... (Previous year net cash inflow Rs.514.98 lacs) for the year then ended.. These financial statements and other financial statements/ information have been audited by other auditors, whose reports have been furnished to us. And our opinion, in so far as it relates to the amounts included in respect of these subsidiary and joint ventures , is based solely on the report of other auditors.
- b) The financial statements of joint venture or associate companies i.e. Murthal Tank & vessals (P) Limited, Om Kothari Enterprises Limited and Baba Vinimay (P) Limited as on 31.03.2007 are not available to us. In the absence of their financial statements we have not been adjusted in the consolidated financial statements.
4. Subject to the matters referred to in paragraph 3 above :
  - a) we report that the consolidated financial statements have been prepared by the Om Metals Infracprojects Limited management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements, Accounting Standard(AS) 23, accounting for investment in associates in consolidated financial statements and (AS) 27 financial reporting of interests in joint venture, issued by the Institute of Chartered Accountants of India.
  - b) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) in the case of the consolidated balance sheet , of the State of affairs of the Om Metal Infracproject Limited as at 31.03.2007 and.
  - ii) in the case of the consolidated profit and Loss account, of the consolidated profit for the year ended on that date and
  - iii) In the case of the consolidated cash flow statement , of the consolidated cash flows for the year ended on that date.

For M.C.Bhandari & Co.  
Chartered Accountants  
S. K. Mahipal  
Partner  
M.No.70366  
Place : Kota  
Dated : 30-06-2007



**CONSOLIDATED BALANCE SHEET OF OM METALS  
INFRAPROJECTS LIMITED  
WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE AS AT  
31ST MARCH,2007**

<b>Particulars</b>	<b>Schedule</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>SOURCES OF FUNDS :</b>			
<b>Share Holder's Funds :</b>			
Share Capital	1	96303809.00	56191150.00
Reserve & surplus	2	2613579787.14	402547537.54
		<b>2709883596.14</b>	<b>458738687.54</b>
<b>Loan Funds :</b>			
Secured Loans	3	497111712.73	262931395.43
Unsecured Loans	4	7704562.50	3276558.00
		<b>504816275.23</b>	<b>266207953.43</b>
Minority Interest		336826.93	
<b>Deferred Tax Liabilities</b>	5	16429035.00	21346770.00
<b>Total Sources of Funds</b>		<b>3231465733.30</b>	<b>746293410.97</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	6	1427174798.29	500091588.37
Less : Depreciation		154982101.74	121595508.59
		1272192696.55	378496079.78
Add :capital work in progress		285503419.00	38358723.00
		<b>1557696115.55</b>	<b>416854802.78</b>
Investments	7	133623421.00	7917926.53
<b>Current Assets, Loans &amp; Advances</b>			
Inventories		191662012.15	177853103.49
Sundry debtors		143488376.06	128393888.98
Cash & bank balance		1394723507.18	582397921.51
Loans & advances		287627175.13	111139854.14
		2017501070.52	999784768.12
Less: <b>Current liabilities &amp; Pro.</b>	9		
Current Liabilities		466800920.93	629910118.28
Provisions		70025408.00	
		<b>1480674741.59</b>	<b>48426685.00</b>
Miscellaneous Exp. (To the extent not written off or adjusted )	10	59471455.16	72716.82
<b>Total application of funds</b>		<b>3231465733.30</b>	<b>746293410.97</b>

**NOTES ON CONSOLIDATED ACCOUNTS 19**

The schedules referred to above and the notes on consolidated accounts form and integral part of the consolidated balance sheet.

As per our Report of even date annexed

For M.C.Bhandari & Co.

Chartered Accountants

S. K. Mahipal

Partner

M.No.70366

Place : Kota

Dated : 30-06-2007

For and behalf of Board of Directors

T.C.Kothari  
(Chairman)

C.P.Kothari  
(M.Director)

D.P.Kothari  
(Director)  
Priya Jain  
(Company Secretary)



**CONSOLIDATED PROFIT AND LOSS A/C OF OM METALS  
INFRAPROJECTS LIMITED**

**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE FOR THE  
YEAR ENDED ON**

**31st MARCH, 2007**

<b>Particulars</b>	<b>Schedules</b>	<b>2006-07 (Rs.)</b>	<b>2005-06 (Rs.)</b>
<b>INCOME :</b>			
Turnover	11	1343205563.51	1020396466.23
Less : Excise duty		9093400.00	5367038.00
		<b>1334112163.51</b>	<b>1015029428.23</b>
Other Income	12	53938721.19	98245540.36
Increase (decrease) in stocks	13	35382453.59	70618044.27
<b>Total</b>		<b>1423433338.29</b>	<b>1183893012.86</b>
<b>EXPENDITURE :</b>			
Material consumed ,prov & beverage/ Trading Purchases	14	760722916.68	640281942.92
Payments to & prov. for employees	15	39339837.06	35025998.70
Manufacturing & operating exp.	16	176107747.54	145127589.94
Establishment & selling expenses	17	98108084.67	61144479.19
Financial expenses	18	49034110.16	27884346.21
		<b>1123312696.11</b>	<b>909464356.96</b>
Profit before taxation & depreciation		300120642.18	274428655.90
Less : Depreciation		33889096.90	30378804.02
Less : Dep. tr. to revaluation reserve		397199.49	457720.40
Less: Depreciation Capitalized		81941.00	0.00
		<b>33409956.41</b>	<b>29921083.62</b>
Profit after depreciation		266710685.77	244507572.28
Less : Provision for income tax (See note no.21 of sch.19)		30983646.00	21400380.00
Less : Provision of Fringe benefit tax		2689412.00	2342652.00
Add : Deferred tax liabilities \ assets		4917735.00	2290717.00
Profit after tax		<b>237955362.77</b>	<b>223055257.28</b>
Less: Trf. Joint Venture capital A/C (Capital)		-954343.00	
Share of (loss) /profit of Minority Interest		-146023.27	0.00
Share of profit of Joint Venture		0.00	0.00
Balance b/f from last year (Holding Company)		314003419.09	145484148.81
Balance b/f from last year (Minority Share )			
Balance available for appropriation.		<b>550858415.59</b>	<b>368539406.09</b>
<b>Appropriations</b>			
Dividend on equity Shares			
- Interim		19260762.00	16857345.00
- Final		0.00	11238230.00
Corporate dividend Tax		2701322.00	3940412.00
Transfer to General Reserve		25000000.00	22500000.00
Balance carried to balance sheet		503896331.59	314003419.09
		<b>550858415.59</b>	<b>368539406.09</b>
Basic and Diluted Earning per Share * Rs.			3.98
* Face value per share Rs. 1/- each			

NOTES ON CONSOLIDATED ACCOUNTS

19

The schedules referred to above and the notes on consolidated accounts form and integral part of the consolidated profit and loss account.

Signed in terms of our report of even date annexed

For M.C.Bhandari & Co.  
Chartered Accountants  
S. K. Mahipal  
Partner  
M.No.70366  
Place : Kota  
Dated : 30-06-2007

For and behalf of Board of Directors

T.C.Kothari  
(Chairman)  
C.P.Kothari  
(M.Director)

D.P.Kothari  
(Director)  
Priya Jain  
(Company Secretary)





**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED  
WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURES  
ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31st MARCH, 2007**

**Schedule - 1**

<b>Particulars</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED</b>		
101600000 Equity Share Of Rs.1/- each (80000000 equity share of Rs. 1/- each in previous year)	101600000.00	80000000.00
<b>ISSUED,SUBSCRIBED AND PAID UP</b>		
96303809 Equity Share Of Rs.1/- each 56191150 Equity Share Of Rs.1/- each in previous year	96303809.00	56191150.00
<b>Total</b>	<b>96303809.00</b>	<b>56191150.00</b>

Notes : (1) In accordance with the resolution passed by shareholders through postal ballot on 06-08-2005 equity shares of the face value of Rs. 10/- each were divided into 10 equity shares of Rs. 1/- each.

(2) Above issued,subscribed and paidup capital includes :-

(a) 19568000 nos and 2298,6000 nos.of fully paid Equity Share of Rs.1/- each were allotted as bonus share in the year 1992 - 93 and 1994 - 95 respectively by capitalisation of reserves and Profit & Loss Account

(b) 20112659 Shares have been allotted for consideration other than cash, pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Rajasthan dated 19.01.2007 to the share holders of erstwhile :-

Om Rajasthan Carbide Limited	5476259	equity shares
Jupiter Manufacturing Co. (P) Limited	5318400	equity shares
Om Structural India (P) Limited	5808000	equity shares
Om Kothari Cement & Chemicals (P) Limited	1410000	equity shares
SAH Buildcon (P) Limited	1050000	equity shares
Richa Builders (P) Limited	1050000	equity shares

**Total :-****20112659**

(3) Out of the shares 20112659 issued under scheme of amalgamation, 15068499 and 5044160 shall remain in lock in period for one year and three years respectively from the date of listing at BSE.

(4) Authorized share capital has been increased pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Rajasthan dated 19.01.2007.





**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**AS AT 31<sup>st</sup> March, 2007**

Reserves and Surplus

**Schedule - 2**

<b>Particulars</b>	<b>As at 31-03-2007 (Rs.)</b>	<b>As at 31-03-2007 (Rs.)</b>	<b>As at 31-03-2006 (Rs.)</b>	<b>As at 31-03-2006 (Rs.)</b>
<b>A. Revaluation Reserve</b>				
As per last balance sheet	5059183.79		8673932.19	
Less: - Transferred to P & L A/c	397199.49		457720.40	
Less :- Deduction on sale/discarding of revalued assets	0.00	4661984.30	3157028.00	5059183.79
<b>B. Capital Reserve</b>				
As per last Balance sheet	7395199.83		7395199.83	
Add:- Arising due to an amalgamation	816711671.42	824106871.25	0.00	7395199.83
<b>C. Security Premium</b>				
As per last balance sheet	44764600.00		44764600.00	
Add:- Received during the year	1180000000.00	1224764600.00	0.00	44764600.00
<b>D. General Reserve</b>				
As per last balance sheet	31150000.00		8650000.00	
Add:- Transferred from P & L A/c	25000000.00	56150000.00	22500000.00	31150000.00
<b>E. Surplus</b> (Profit as per profit and loss account annexed )		503896331.59		314003419.09
<b>Total</b>		<b>2613579787.14</b>		<b>402547537.54</b>

<b>Particulars</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>SECURED LOANS :</b>		
<b>a) TERM LOAN :</b>		
From SBBJ	134099540.27	110721230.57
See note No.1 (a)		
From Others banks	8625271.79	6763496.08
See note No.1(b)		
<b>Sub-Total</b>	<b>142724812.06</b>	<b>117484726.65</b>
<b>b) Working Capital Loan</b>		
From Banks (Rupee loan)	161329919.22	71693356.38
( See note No.2)		
<b>c) Short Term Loan against FDR from Bank</b>	193056981.45	73753312.40



## OM METALS INFRAPROJECTS LTD.

( See note No.3)

<b>Sub-Total</b>	<b>354386900.67</b>	<b>145446668.78</b>
<b>Total</b>	<b>497111712.73</b>	<b>262931395.43</b>

**Note :**

- (i) Term Loan includes Rs. 362.48 Lacs due with in a year ( Previous year Rs.354.79 lacs)

**Note :**

1. a) Rupees term loan from banks are secured/to be secured by first charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the company, both present and future (save and except book debt and other current assets) of Hotel division Jaipur (Raj.) , Multiplex Division , Kota (Raj.) and property located at VKI Jaipur (Raj.) including wind mill and further secured by way of personal guarantees of Shri T.C. Kothari, C.P Kothari and D.P. Kothari directors of the company.

Rupees term loan from banks are further secured by way of equitable mortgage of lease of land belonging to M/s. Om Kothari Pariwari Trust (Family trust) located at Jaipur for Hotel division.

- (b) Secured by way of Hyp. of vehicles financed by other banks.
2. Cash credit loans from banks under consortium and loan from ICICI Bank in Om Metals Auto (P) Limited are secured by way of hypothecation of all stocks and book debts on ranking pari - passu basis inter se between the lender. These loans are further secured / to be secured on pari-passu charges by way of first charge by way of mortgage, by deposit of title deeds in respect of immovable properties and second charges on all the assets of the company (except on which secured loans taken from banks and other parties) & personal guarantees of the Shri T.C.Kothari, Shri C.P.Kothari and Shri D.P.Kothari Directors of the company and further secured by way of equitable mortgage of land & building belonging to Jupiter Metals (P) Ltd.
3. Secured by way of deposit of FDR.
4. In the case of Bank Gaurantee Limits, it is secured by way of deposit of FDR and counter gaurantee of the Company and collateral securities as mentioned above (2) and personal guarantee of the directors i.e. Shri T.C. Kothari Shri C.P. Kothari and Shri. D.P. Kothari of the Company and further secured as collateral securities as mentioned above (2) & 3 on ranking pari-passu basis inter se between the lender.

**Schedule - 4**

<b>Particulars</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>UNSECURED LOANS :</b>		
1. From RIICO LTD. (sales tax Intt. Free loan)	0.00	175720.00
2. Inter corporate loan (Short term on demand)	6829562.50	3100838.00
3. From Others (Short term on demand)	875000.00	0.00
<b>Total</b>	<b>7704562.50</b>	<b>3276558.00</b>

**Note : Rs. Nil Lacs due with in year(previous year Rs.1.76 lac)**



**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT 31<sup>st</sup> March,2007

Schedule - 5

**Deferred Tax Liabilities and Assets**

**Deferred Tax Liabilities**

Depreciation	17919396.00	22290653.00
	17919396.00	22290653.00

**Deferred Tax Assets**

Provision for gratuity & leave encashment 676800.00		1223278.00
Capital Loss & Others	267083.00	267083.00

<b>1490361.00</b>	<b>943883.00</b>
-------------------	------------------

Deferred Tax Liabilities	<b>16429035.00</b>	<b>21346770.00</b>
--------------------------	--------------------	--------------------

**CONSOLIDATED SCHEDULE OF OM METALS INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE**  
**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT 31st March, 2007

PARTICULARS	AS AT	ADDITIONS	ADDITION ON AMALGAMATION	SALES/ TRANSFER	TOTAL COST AS AT 31-03-07	DEPRECIATION UP TO 31-03-2006	DEPRECIATION DURING THE YEAR	ON SALE/ ADJUSTME	TOTAL DEPRECIATION	W.D.V. 31-03-2007	W.D.V. 31-03-2006
Free Hold Land	0.00	0.00	127213160.00	0.00	127213160.00	0.00	0.00	0.00	0.00	127213160.00	0.00
Lease hold land including Tenancy right	46694481.00	18522400.00	642232625.00	0.00	707449506.00	483208.74	0.00	0.00	483208.74	706966297.26	46211272.26
Agriculture Land	521761.50	0.00	38067.52	2115.00	557714.02	0.00	0.00	0.00	0.00	557714.02	521761.50
Building/ Temp. Labour Quarter Shed	243180532.84	7080749.00	64146820.34	1415325.00	312992777.18	32036541.47	15266664.93	486730.63	46816475.77	266176301.41	211143991.36
Plant & Machinery & Electrical Fittings	154320439.01	36368204.00	5454931.39	87145.00	196056429.40	62294865.53	12070919.07	15773.00	74350011.73	121706417.67	92025573.47
Furniture & Fixture and Office Equipments	33701282.78	1804233.00	7221.66	0.00	35512737.44	14035298.98	3109285.33	0.00	17144584.31	18368153.13	19665983.56
Vehicle	21316021.21	1183307.00	3073.62	0.00	22502401.83	12673683.61	2449096.94	0.00	15122780.55	7379621.28	8642337.63
Goodwill	0.00	85000.00	0.00	0.00	85000.00	0.00	0.00	0.00	0.00	85000.00	0.00
Subsidiary Company	357070.00	3649298.42	0.00	0.00	4006368.42	71910.00	899439.65	0.00	971349.65	3035018.77	285160.00
Joint Venture Companies	0.00	20798704.00	0.00	0.00	20798704.00	0.00	93691.00	0.00	93691.00	20705013.00	0.00
TOTAL	500091588.34	89491895.42	839095899.53	1504585.00	1427174798.29	121595508.33	33889096.92	502503.63	154982101.75	1272192696.54	378496079.78
Capital work in progress (Om Metals)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30988638.00	38358723.00
Capital work in progress (P.Port Limited)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11341825.00	0.00
Capital work in progress (P.Sez Limited)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13258312.00	0.00
Capital work in progress (Om Consortium)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	229914644.00	0.00
<b>Figures for the previous year</b>	<b>500091588.34</b>	<b>89491895.42</b>	<b>839095899.53</b>	<b>1504585.00</b>	<b>1427174798.29</b>	<b>121595508.33</b>	<b>33889096.92</b>	<b>502503.63</b>	<b>154982101.75</b>	<b>1557696115.54</b>	<b>416854802.78</b>
	418663622.92	97026110.17	0.00	15955214.72	500091588.37	98461160.72	30378804.01	72444456.14	1215955080.59	378496079.78	320202462.20

Note: - (i) The name of change in assets being transferred to company under scheme of amalgamation as approved by the Hon'ble High Court of Rajasthan vide order dated 19.01.2007 is under process in the records of Registering Authorities.

(ii) Capital Work in Progress includes capital advances of Rs. 102.68 Lacs (Previous year Rs. 226.90 Lacs)





**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT 31<sup>st</sup> March,2007

Schedule - 7

Particulars	No.	Face Value	Balance As At	
			31-03-2007 (Rs.)	31-03-2006 (Rs.)
<b>1a). LONG TERM INVESTMENTS :</b>				
(Government and other securities (unquoted)				
National Saving Certificate ( Deposited				
with in Sales Tax Dept. interest is to be				
adjusted on realisation )				
			19000.00	14000.00
<b>(b) OTHER INVESTMENTS (UNQUOTED)</b>				
Ordinary Share (Fully paid up)				
Om Kothari Enterprises Ltd.	759501	7595010.00	7595010.00	7595010.00
B. Reheja Builders (P) Limited	1250	12500.00	12500.00	12500.00
Sanmati Resorts Limited	500000	5000000.00	5000000.00	0.00
Baba Vinimaya (P) Limited	5000	50000.00	50000.00	0.00
Murthal Tanks & Vessels (P) Ltd.(JV)	5000	50000.00	50000.00	0.00
Himgiri Dealcom (P) Limited	4068	40680.00	31730.00	0.00
Om Metal Infotech Pvt.Ltd.(Share Appl.)			700000.00	0.00
	<b>1274819.00</b>	<b>12748190.00</b>	<b>13458240.00</b>	<b>7621510.00</b>
<b>(c) OTHER INVESTMENTS ( QUOTED)</b>				
Ordinary Share (Fully paid up)				
Manglam Timber Ltd.	800	8000.00	17040.00	17040.00
Indian Petro Chemicals Ltd.	200	2000.00	32000.00	32000.00
Reliance Industries Ltd.	60	600.00	1000.00	1000.00
State Bank of India	50	500.00	5000.00	5000.00
Century Enka Ltd.	20	200.00	6000.00	6000.00
	<b>1130</b>	<b>11300.00</b>	<b>61040.00</b>	<b>61040.00</b>
<b>(d) OTHER SECURITIES ( QUOTED)</b>				
Indian Petro Chemicals Ltd. (Debenture)	100	5000.00	5000.00	5000.00
	<b>100</b>	<b>5000.00</b>	<b>5000.00</b>	<b>5000.00</b>
<b>2. Current Investments</b>				
ABN Amro Mutual Fund	20000	200000.00	0.00	230376.53
Land at Sainik Farms			111599141.00	0.00
Plant & Machinery			8500000.00	0.00
	<b>20000.00</b>	<b>200000.00</b>	<b>120099141.00</b>	<b>230376.53</b>
<b>Grand Total</b>			<b>133623421.00</b>	<b>7917926.53</b>

**NOTE :**

1. Aggregate value of investments	Quoted	0.66	2.96
Unquoted		134.58	78.77
Market price -quoted		2.01	4.06



**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED  
WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURES  
ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT 31<sup>st</sup> March, 2007

Schedule - 8

<b>Particulars</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>		
<b>1 INVENTORIES</b>		
<b>RAW MATERIAL &amp; STORES</b>		
i ) Raw material, accessories & components food beverage & liquor	42334118.44	39443968.43
i i ) Store & spares and coal	3676997.92	70601.00
i i i ) Goods in transit	5336701.00	0.00
<b>FINISHED GOODS</b>		
i ) Fabricated goods, car and others	27407573.79	14137695.95
<b>WORK IN PROGRESS</b>		
i) Engineering division including real estate building	112906621.00	124200838.11
<b>Sub Total (A)</b>	<b>191662012.15</b>	<b>177853103.49</b>
<b>2 SUNDRY DEBTORS</b>		
(Unsecured, considered good except to the extent stated )		
a ) Debtors outstanding for a period exceeding 6 months.	27542247.82	62088809.88
b ) Other Debtors	115946128.24	66305079.10
<b>Sub Total (B)</b>	<b>143488376.06</b>	<b>128393888.98</b>
<b>Particulars</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>3. CASH &amp; BANK BALANCE</b>		
a ) Cash balance on hand	3422468.73	3139714.86
<b>b ) Balances with Scheduled Banks</b>		
i ) In Current Account	117110530.94	216358437.36
ii) In Saving Bank Account	245789.77	327876.59
i i i) In Fixed Deposit Receipts and in margin account. (includes FDR Rs 438.70 lacs (Rs. 396.55 lacs in previous year) pledged with banks)	1250232358.81	352387431.41
i v ) Interest accrued on FDR	23712358.93	10184461.29
<b>Sub Total ( C )</b>	<b>1394723507.18</b>	<b>582397921.51</b>
<b>4 LOANS AND ADVANCES</b>		
Unsecured (Considered good unless otherwise stated)		
<b>(1) Loans</b>		
(i) Corporate Loans	5456435.00	632335.00
(ii) Others to staff	438369.27	186435.00



(iii) Joint Venture	40053908.14	2014898.50
(2) Advances recoverable in cash or in kind or for value to be received	144379553.49	35273668.53
(3) Balance with customs & central excise & others authorities etc.	2840989.00	552767.00
(4) Deposits	26068806.06	30924368.06
(5) Income taxes paid including FBT	68389114.17	41555382.05
<b>Sub Total ( D )</b>	<b>287627175.13</b>	<b>111139854.14</b>

1. Deposits includes Rs. 60.00 Lacs (previous year Rs.60.00 Lacs ) due in Director and other related persons companies/firm under the same management.

**Schedule - 9**

<b>Particulars</b>	<b>Figures as at 31-03-2007</b>	<b>Figures as at 31-03-2006</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>1. CURRENT LIABILITIES</b>		
<b>(i) SUNDRY CREDITORS</b>		
For Goods		
- Total out standing dues of S.S.I undertaking for goods & others (Refer note no 8 of sch.19)	288615.00	476014.00
- Total out standing dues of Creditors other than S.S.I	79401193.29	87465324.95
For Expenses & other Liabilities	22516095.84	28548578.51
(ii) For Capital Goods	6767969.00	12119107.00
(iii) Government dues	5088598.37	8208405.59
(iv) Advance & Security deposit from Customers,	352523492.53	492877731.33
(v) Unclaimed statutory liabilities (as referred in sec 205 C of the Companies Act,1956)		
Unclaimed dividend (*)	214956.90	214956.90
<b>Sub Total</b>	<b>466800920.93</b>	<b>629910118.28</b>
<b>2 PROVISIONS</b>		
(i) For Taxation	63707006.00	31274947.00
(ii) For F B T	2684184.00	2326652.00
(iii) For Gratuity	3009999.00	1770680.00
(iv) For Leave Encashment	624219.00	240014.00
(V) Proposed final dividend on Equity Shares	0.00	11238230.00
(vi) Tax on proposed dividend	0.00	1576162.00
<b>Sub Total</b>	<b>70025408.00</b>	<b>48426685.00</b>
<b>Grand Total</b>	<b>536826328.93</b>	<b>678336803.28</b>

**Note :**

- ( i ) Sundry Creditors for expenses and other liabilities includes amounting to Rs 7.82 Lakhs 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 .dt 09-08-2002
- (ii) Advance from Customers including from customers secured by way of Bank Guarantee of Rs 2094.15 Lacs (in previous year Rs. 1151.04 Lacs)
- (iii) (\*) Pending for reconciliation





**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE**  
**ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED ON**  
**31st MARCH, 2007**

**Schedule - 10**

<b>Particulars</b>	<b>31.03.07 (Rs.)</b>	<b>31.03.06 (Rs.)</b>
<b>MISCELLENOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
(a) Preliminary exp.	820277.82	72716.82
Less : 1/5 <sup>th</sup> written off during the year	15168.16	0.00
	805109.66	72716.82
(b) Deferred revenue exp.	12922562.50	
Less : 1/5 <sup>th</sup> written off during the year	0.00	
	12922562.50	
© Public Issue Expenses or pre./preop. of sub.co.	57179728.00	
Less : 1/5 <sup>th</sup> written off during the year	11435945.00	
	45743783.00	
<b>Total (a+b+c)</b>	<b>59471455.16</b>	<b>72716.82</b>

**Schedule - 11**

<b>Particulars</b>	<b>31.03.2007 (Rs.)</b>	<b>31.03.2006 (Rs.)</b>
<b>Turnover :</b>		
Sales of products, erection & escla. Receipts(Engg )	815867993.77	638481397.54
Vehicle & its Spare parts sales & Labour charges	418815813.30	282514400.41
Transportation Receipts	3998176.00	2172159.46
Drawing & design receipts	970942.00	1379000.00
Income from real estate	23780000.00	9990000.00
Guest accomo.,rest./canteen,food & beverage receipts of Hotel business	59240265.44	48874082.82
Receipt from film distribution and exhibition & share of operating profit	20532373.00	36985426.00
	<b>1343205563.51</b>	<b>1020396466.23</b>





**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**

**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE  
ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED ON**

**31st MARCH, 2007**

<b>Particulars</b>	<b>Schedule - 12</b>	
	<b>31.03.2007 (Rs.)</b>	<b>31.03.2006 (Rs.)</b>
<b>OTHER INCOME</b>		
Interest (Gross)	44795990.94	20530849.82
Claims (Including interest of Rs. 4.24 crore in the previous year)	110692.00	69802720.00
Rent and hire charges	3120726.00	3562250.00
Miscellaneous receipts	5292451.62	3075365.16
Surplus on sales of Fixed Assets	69290.63	1251845.38
Excess Provision written back	549570.00	22510.00
<b>Total</b>	<b>53938721.19</b>	<b>98245540.36</b>
<b>Schedule - 13</b>		
<b>Particulars</b>	<b>31.03.2007 (Rs.)</b>	<b>31.03.2006 (Rs.)</b>
<b>INCREASE (DECREASE) IN STOCKS OF FINISHED GOODS AND GOODS IN PROCESS</b>		
<b>OPENING STOCK</b>		
Finished Goods	14137695.95	8795359.00
Work in Progress	118825889.11	53550181.79
Add. Transfer of W.I.P. of Real Estate	5374949.00	0.00
Less; Transfer of W.I.P. to Kameing JV	31114272.11	0.00
<b>Sub Total</b>	<b>107224261.95</b>	<b>62345540.79</b>
<b>CLOSING STOCK</b>		
Finished Goods	29700094.54	14137695.95
Work in Progress	112906621.00	118825889.11
<b>Sub Total</b>	<b>142606715.54</b>	<b>132963585.06</b>
<b>INCREASE (DECREASE) IN STOCK</b>	<b>35382453.59</b>	<b>70618044.27</b>



**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE**  
**ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED ON**  
**31st MARCH, 2007**

**Schedule - 14**

<b>Particulars</b>	<b>31.03.2007 (Rs.)</b>	<b>31.03.2006 (Rs.)</b>
<b>Consumption of material, provision &amp; beverage/ Trading activities</b>		
Opening Stock	39443968.43	53095410.82
Less: VAT	157186.00	0.00
Add : Purchases including accessories & boughtout item / semi finished, food & beverage & liquor	343004934.83	315385022.78
<b>Sub - Total</b>	<b>382291717.26</b>	<b>368480433.60</b>
Less : Closing Stock	42334118.44	39443968.43
	339957598.82	329036465.17
Purchases of finished goods / parts for trading activities	420765317.86	311245477.75
<b>Total</b>	<b>760722916.68</b>	<b>640281942.92</b>

**Schedule - 15**

**PAYMENTS TO AND PROVISIONS  
FOR EMPLOYEES**

Salaries, Wages, Bonus & Allowances and Gratuity etc.	34811615.07	31564344.95
Contribution of PF, ESI scheme	1116961.20	1288496.85
Gratuity	588420.00	160457.00
Employee Welfare Exp. Including compensation	2822840.79	2012699.90
<b>Total</b>	<b>39339837.06</b>	<b>35025998.70</b>



**CONSOLIDATED SCHEDULE OF OM METALS  
INFRAPROJECTS LIMITED**  
**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE**  
**ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED ON**  
**31st MARCH, 2007**

Schedule - 16

<b>Particulars</b>	<b>31.03.2007 (Rs.)</b>	<b>31.03.2006 (Rs.)</b>
<b>Manufacturing &amp; Operating expenses</b>		
Power ,fuel & water expenses	19010129.13	17561116.34
Stores, Spares & Tools Consumed.	32600270.47	20687916.66
Job & other work exp. including drawing & design	52739735.10	38390092.90
Rent/Hire charges for machinery,vehicle & building	48656456.00	39694392.00
Transportation Expenses	9126366.26	7821645.00
Repairs & Maintenance		
i ) To Machinery	2809523.85	2388087.66
i i ) To Building	1586786.00	1956721.00
Insurance Expenses	2310176.00	1960923.48
Film hire & other charges for display/exhibition	2690189.95	12091382.00
House up-keeping & other hotel / rest. exp.	3021459.28	1500062.40
linen,wares & cutlary,croceries & laundry expenses	1556655.50	1075250.50
<b>Total</b>	<b>176107747.54</b>	<b>145127589.94</b>

Schedule - 17

<b>Particulars</b>	<b>31.03.2007 (Rs.)</b>	<b>31.03.2006 (Rs.)</b>
<b>Administrative &amp; Selling Exp.</b>		
Remuneration to directors	6390000.00	3120000.00
Rent, rates & taxes	4542256.00	3569059.64
Telephone, telex & postage	5755307.40	4797402.29
Travelling & conveyance expenses	17202011.56	11453124.61
Legal, consultancy, retainership, professional arbitration expenses	10924202.03	8047503.05
General repairs	1192088.55	1620239.00
Vehicle running & maintenance	7819833.00	4411730.70



## OM METALS INFRAPROJECTS LTD.

Miscellaneous expenses	14747756.82	11560333.86
Audit fees	304188.00	198578.00
Charity & donation	3650101.00	1384000.00
Advertisement	1921297.00	2528809.92
Tender & sales liaisoning Exp.	0.00	2192819.06
Public Issue /deferred revenue exp./W.off.	12890576.00	0.00
Claims / rebate & discount exp.	1115725.31	3137793.40
Frenchises / management exp.	0.00	1228475.66
Keyman insurance	1894610.00	1894610.00
Brokerage & Commission	4188282.00	0.00
Foreign Currency Fluctation	3569850.00	0.00
<b>Total</b>	<b>98108084.67</b>	<b>61144479.19</b>

### Particulars

#### Financial Expenses

Bank Commission & Other Charges

#### Interest paid to banks

a ) On Term Loan

b ) On working capital/others/project Authority

#### Total

**31.03.2007**  
**(Rs.)**

#### Schedule - 18

**31.03.2006**  
**(Rs.)**

14620281.98

8052090.75

10627766.30

10582013.71

23786061.88

9250241.75

**49034110.16**

**27884346.21**



**SCHEDULE ANNEXED TO AND FORMING PART OF CONSOLIDATED  
BALANCE SHEET AS AT 31.03.2007 AND CONSOLIDATED PROFIT AND  
LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**SCHEDULE - 19**

CONSOLIDATED NOTES TO THE ACCOUNTS :

A. Statement of significant Accounting policies

1. PRINCIPLE OF CONSOLIDATION

The consolidated financial statements (CFS) relates to Om Metals Infraprojects Limited and its subsidiaries and joint ventures (hereinafter referred as the "Group")

- (i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra group transactions and also unrealized profit or losses, except where cost can not be recovered.
- (ii) Interests in the assets, liabilities, income and expenses of the joint ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits/losses are eliminated to the extent of company's proportionate share.
- (iii) The excess of the cost to the company of its investment in subsidiaries and joint ventures over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill. In case the cost of investment in a subsidiary or joint venture is less than the proportionate share in the equity of the investee as at the date of investment , the difference is treated as Capital reserve.
- (iv) Minority's interest in net profit of consolidated subsidiary for the year is identified and adjusted against the income in order to drive at the net income attributable to the shareholders of the company. Minorities share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in the excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- (v) As far as possible, the Consolidated financial statements are prepared using uniform accounting policies for like transactions and other event in similar circumstances and are presented in the same manner as the Company's separate financial statements. Differences in accounting policies have been disclosed separately.
- (vi) The accounts of all the Group companies are drawn upto the same reporting date as the parent entity (i.e. Financial year ended 31<sup>st</sup> march,2007) . Except financial statements of a Joint Venture company M/s. Murthal Tanks and Vessels (P) Limited are not incorporated due to non availability of information .

2. SIGNIFICANT ACCOUNTING POLICIES :

(i) ACCOUNTING CONVENTION :

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the companies act., 1956. The financial statements have been prepared under the historical cost convention as modified to include the revaluation of land, building, plant & machineries of one of the units the Om Metals and in accordance with the applicable accounting standards except where other wise stated. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of assets for which provision for impairment is made and 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 and impairment , if any. The Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental/preoperative expenses and interest on loans attributable to the acquisition of assets upto the date of commissioning of assets . Capital subsidy received against specific assets is reduced from the value of relevant 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 upto the date of sales/discard.
- (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) Lease hold land are not depreciated except multiplex division.
- iii) New project expenses pending allocation Expenditure incurred on new projects is carried forward under capital work in progress and allocated to fixed assets, on the commencement of commercial production of the relevant projects.

(iv) **INVENTORIES**

Inventories are valued as follows :-

- (a) Raw Material, Stores & Spares, Components, construction material. food & beverages and liquor : At cost including transportation& other exp.(FIFO method) or net realizable value, which ever is lower.
- (b) Process Stocks : At cost or net realizable value, which ever is lower. Cost for this purpose includes direct cost i.e. raw material, labour cost and other appropriate share of overheads etc on estimated basis of job done.
- (c) Finished Goods : Cost or net realizable value\* , which ever is lower. The bases of determining cost which also includes taxes and duties wherever applicable.

\* Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of the completion and to make the sale.

d) Hotel Division : Stock of operating supplies i.e. crockery, cutlery, glassware, utensils, linen etc. in circulation are treated as consumption as and when issued from the stores and balance stock at the year end has been valued at cost or net realizable value whichever is lower.

v) Foreign currency Transaction :

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion :

Foreign currency monetary items are reported using the closing rate . Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transactions and non monetary items which are carried at fair value or other



similar valuations denominated in a foreign currency are reported using the exchange rates that existed when the values were determined .

c) Exchange differences :

All exchange differences arising on settlement/reinstatement of foreign currency transactions are included in the Profit and Loss account, except in cases where they relate to the acquisition of fixed assets acquired from outside India , in which case they are adjusted in the cost of the corresponding assets.

d) Forward Exchange contracts :

The premium or discounts arising at the inception of forward exchange contracts amortized as expense or income over the life of the contract , except where it relates to fixed assets acquired from outside India, in which case it is adjusted in the cost of the corresponding asset. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward ex-change contracts is recognized as income or expenses for the year.

e) Options :

Foreign currency options are accounted for in line with terms of contract and necessary provision for anticipated losses in respect of open options is made. Gain on such options is recognized on actual realization.

vi) Revenue Recognition :

a) Engineering Goods :

Sales of products (Fabricated goods) escalation and erection receipts is accounted for on the basis of bills/invoices acknowledge or paid by the project authorities.

b) Other Turnover :

Sales comprises sales of goods, room sales & sales of ticket etc. are excluding sales tax/VAT . It is being accounted for net of returns/discount/claims.

c) Income from interest on refund of income tax accounted for in the year, the order is passed by the concerned authority.

d) Revenue from construction contracts/projects is recognized on the percentage of completions method of accounting . Revenue is recognized , in relation to the sold areas only, on the bases of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost . The estimates of saleable area and cost are revised periodically by the management . The effect of such changes to estimates is recognized in the period such changes are determined.

vii) INVESTMENTS :

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long Term Investments .Current investments are carried at lower of cost and fair value determined on and individual investment basis. Long term investments are carried at cost. However, Provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

viii) MISCELLANEOUS EXPENDITURE ( To the extent not written off or ; adjusted) Miscellaneous expenditure such as public issue expenditure are amortized over a period in 5 years.

ix) RESEARCH & DEVELOPMENT :

Research & development costs ( Other than cost of fixed assets acquired are charges as an expenses in the year in which they are incurred.

x) Borrowing costs :





Borrowing costs are recognized as expenses in the period in which they are incurred except for borrowings for acquisition of qualifying assets which are capitalized upto the date, the assets is ready for its intended use.

xi) TAXATION :

(a) Current Tax :

The income tax liability provided in accordance with the provisions of the Income Tax Act, 1961 or as advised by income tax consultant after claiming deduction under section 80 I .

(b) Deferred Tax Liabilities/(Assets)

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

c) Fringe benefit tax :

Fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the provision of Income Tax Act, 1961.

xii) Retirement benefits :

a) Retirement benefits in the form of provident fund are charged to the Profit and Loss account of the year. when the contributions to the respective funds are due.

b) Gratuity :

Provision for gratuity liabilities under the payment of gratuity to employees is made at the end of the year.(Actuarial valuation for the liabilities has , however has not been done). In Hotel Division no provision for gratuity has been considered necessary, as there is no eligible employees.

c) Leave Salaries:

Provision is made for value of unutilized leave due to employees at the end of the year. In Hotel division no provision for leave encashment is required as there is system of compensatory off in lieu of leave encashment.

xiii) Impairment of assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimated of recoverable amount

xiv) Provision, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

xv) Goodwill on consolidation

Goodwill represents the difference between the group's share in the net worth of the investee companies and the cost of acquisition of each point of time of making the investment . For this purpose , the group's share of equity in the investee companies are determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition , after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

xvi) Segment reporting policies :

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of the products manufactures and service provided , with is segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Allocated common costs





Common allocable cost are allocated to each segment in proportion to the relative sales of each segment .  
Unallocated items :

All the common income , expenses, assets and liabilities which are not possible to be allocated to different segments , are treated as unallocated items.

xvii) Earning per Share:

Basic earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity share holders (After deducting taxes etc.) by the weighted average number of the equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilative potential equity shares.

xviii) Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual result and estimates are recognized in the period in which results are known / materialized.

3. The Om Metal Group comprises of the following entities :

Name of the group company	Country of incorporation	% of ownership as at 31.03.2007	% of ownership as at 31.03.2006
Subsidiaries			
Om Metals Auto (P) Limited	India	51%	51%
Om Metals Ratnakar (P) Limited	India	99%	99%
Om Metal Real Estate (P) Limited	India	99%	99%
Joint Ventures			
OML +JSC Ukrain (JV) Kaming	India	60%	60%
Om Metal Consortium	India	35%	35%
Om Metal Infotech (P) Limited	India	50%	
Om Metals Devlopers (P) Limited	India	25%	
Murthal Tanks & Vessels (P) Limited	India	50%	
Pondicherry Sez Co. Limited	India	37%	
Pondicharry Port Limited	India	50%	
Associates			
Om Kothari Enterprises Ltd.	India		
Baba Vinimay (P) Limited	India	50%	



## OM METALS INFRAPROJECTS LTD.

### 4. CONTINGENT LIABILITIES (NOT PROVIDED FOR) IN RESPECT OF:

(RS. IN LACS)

S.No.	Particulars	As at 31.03.2007	As at 31.03.2006
i)	Outstanding bank guarantee *	8844.83	7872.88
ii)	Letter of credits accepted	338.62	1386.99
iii)	Claims against the Company not acknowledged a debt relating to supplies and service matters including counter claims of project authorities.		1408.25
iv)	Various labour cases	Amount not ascertainable	Amount not ascertainable
v)	Net show cause/demand/notices by excise deptt., service tax, income tax authorities being disputed by the company. (See note no 12 below.)	200.32	196.29

Based on favorable decisions in similar cases, legal opinion taken by the company., discussions with the solicitors, etc, the company believes that there is fair chance of decisions in its favour in respect of all the items listed in (iii) & (v) above and hence no provisions is considered necessary against the same.

Out standing bank guarantee includes issued by banks, in favour of following joint venture/partnership firm.

(Rs. in Lacs,)

Name of Joint Venture (JV) /partnership firm (PF)	O/s. Bank guarantee as at 31.03.2007	O/s. Bank guarantee as at 31.03.2006
OML+JSC, UKRAIN , KAMENG (JV)	2436.00	2436.50
Om Metals Consortium (PF)	950.00	1000.00
Om Ray (JV)	0	233.24*

Share of joint venture surrendered on 31.03.06 and bank guarantee since received.

5. Estimated amount of contracts remaining to be executed (capital commitments) net of advances on capital account and not provided for Rs.350.21 lacs ( Rs. 226.90 lacs in the previous year)
6. a) Claims raised by the Company/Claims settled with various project authorities/ other parties. amounting to Rs 5200.74 lacs ( Rs. 5200.74 Lacs in previous year) , against these claims, the company has received arbitration awards of Rs 288.32 lacs ( Previous year Rs. 288.32 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/ Other parties.
- b) The company entered into an joint venture agreement between well wisher constructions and finance (P) Limited, Om Metals Limited and B.Raheja Builders (P) Limited on 10.12.2005 for development/constructing an information technology park at Navi Mumbai.The joint venture purchased a piece of land admeasuring 202345 Sq. met. from MIDC. The share of the company in joint venture 10:10:80 or Rs. 100.00 per sq. feet of saleable built up area of constructions available on the plot as per the sanctioned plan. The company surrendered its share in favour of Raheja group and consideration to be settled later on. The company received an advance of Rs. 352.50 lacs. It shall account for income on final settlement/receipts of money. The advance received Rs. 352.50 Lacs shown advance from customers in current liabilities and provisions (Schedule no. 8)



7. Earning per Shares ( E.P.S.)

S.No.	Particulars	2007	2006
i)	Calculation of weighted average number of face value of equity shares of Rs. 1 each		
	No. of shares at the beginning of the year.	56191150	56191150 *
	Equity share issued (effective 28.2.2007) refer note no 9 below . pursuant to the scheme of amalgamation	20112659	
	New equity shares issued under QIB (effective 23.01.2007)	20000000	
	Total equity shares outstanding at the end of the year	96303809	56191150
	Weighted average no of equity shares outstanding during the year.	61570580	56191150
ii)	Net Profit after Tax available for equity shares holders (Rs.)	236854996	223055257
iii)	Basic and diluted earning per shares ( Rs.)	3.84	3.96
iv)	Nominal value of equity shares (Rs.)	1	1

**\*The equity shares of the face value of Rs. 10/- each were sub divided in to 10 equity shares of Rs. 1/- each with affect from 06-08-2005.**

8. Sundry creditors for goods and others includes Rs. 2.89 lacs due to suppliers covered under the ‘interest on delayed payments to small scale and ancillary industrial undertaking Act, 1993’ to the extent such parties have been identified from the available information. The Company has not received any claim for interest from any suppliers under the said Act.

The name of small scale industrial undertakings to whom the company owes amounts outstanding for more than 30 days as At March 31, 2007 are Aditya Air Product, Assam Air Product, Asia Metal & Alloys, Ashoka Machine Tools, Alfa Mechnosys, Kota Oxygen, Bartawal Iron & Steel, Gwalic Electrical, & Matel link Alloys.

Based on the information available with the company, the balance due to micro, small and medium Enterprise as defined under the ‘ The Micro, Small & Medium Enterprises Development Act, 2006’ is Rs. 2.89 Lacs. Further no interest during the year has been paid or is payable under the terms of the ‘ The Micro, Small & Medium Enterprises Development Act, 2006’.

9. Amalgamation of erstwhile Om Rajasthan Carbide Limited, Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited with the company :-
- a)i) Om Rajasthan Carbide Limited was engaged in the fabrication and Erection of gate and gate parts.
  - ii) Jupiter Manufacturing Co. (P) Limited was engaged in the fabrication and erection of gate and gate parts.
  - iii) Om Structurals India (P) Limited : was engaged in the business of manufacturer, processors , buyer , sellers , stockiest or other wise deals in all type of aluminum products and to carry on the business of all type of iron and steels founders , fabricators, manufacturer . Presently the company is carrying on the business of erection /fabrication of gate and gate parts.
  - iv) Om Kothari Cement & Chemicals (P) Limited was engaged in the business of manufacturing oxygen gas



## OM METALS INFRAPROJECTS LTD.

- and trading in D.A. gas and fabrication /erection of dam gate and gate parts.
- v) S.A.H. Buildcon (P) Limited was engaged in the business of builders , developers , constructors and property dealers.
- vi) Richa Builders (P) Limited was engaged in the business of builders , developers , constructors and property dealers.
- b) Pursuant to the scheme of arrangement and amalgamation amongst the company and Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited and their respective shareholders and creditors (the scheme of amalgamation) as sanctioned by the Hon'ble High court of judicature of Rajasthan , Jaipur bench, Jaipur vide their order dated 19.01.2007. The assets and liabilities of Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited were transferred to and vested in the company with effect from 15.02.2007. The scheme of amalgamation has accordingly been given effect to in the accounts.
- c) In terms of the Accounting Standard 14 – Accounting for Amalgamation issued by the Institute of Chartered Accountants of India, the scheme of Amalgamation is accounted under “purchase method” wherein all the assets and liabilities (except for miscellaneous expenditure recorded at zero value) of Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited have been accounted for at their carrying amounts on 15.02.2007 except land and building which are taken on market price as on 31.03.2005.
- d) Pursuant to the scheme of amalgamation the company allotted total 20112659 equity shares of Rs. 1/- each to the share holder of Om Rajasthan Carbide Limited (5476259 equity share) , Jupiter Manufacturing Co.(P) Limited (5318400 equity shares) , Om Structurals India (P) Limited (5808000 equity shares), Om Kothari Cement & Chemicals (P) Limited (1410000 equity shares) , S.A.H. Buildcon (P) Limited (1050000 equity Shares)and Richa Builders (P) Limited (1050000 equity shares)
- e) Consequent upon giving effect to the scheme of amalgamation , an amount of Rs. 8167.12 lacs arising as mcapital reserve, being the difference between :-
- a) The aggregate value of the equity shares allotted
- b) The net book value or market price of assets and liabilities of Om Rajasthan Carbide Limited , Jupiter Manufacturing Co.(P) Limited , Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, S.A.H. Buildcon (P) Limited and Richa Builders (P) Limited as on 15.02.2007.
10. Segment Reporting:
- a) Primary segment : Business Segment Based on the guiding principles given in Accounting Standard AS –17 “Segment reporting” issued by the Institute of Chartered Accountants of India, the Company's operating business are organized and managed separately according to the nature of products manufactured and services provided . The three identified reportable segments are turn key contracts of Gates, Cranes, Hoist for Irrigation & Power projects and real estate in the Engg. Division, the Other segments includes Cinema & Film distribution for exhibition ( Entertainment) in Multiplex Division , running of Hotel Cum revolving restaurant in Hotel division.

(Rs. In lacs)

Particulars	Current year	Previous year
Revenue from domestic market	12826.52	10124.35
Revenue from overseas market	514.60	25.94



- b) Secondary segment : Geographical segments :  
 Since the company's activities/operations are primarily with in the country and considering the nature of products/services it deals in , the risk and returns are same and as such there is only one geographical segments,

The following is the distributions of the company's consolidated revenue by geographical markets, regardless of where the goods/services were produced.

The company has common assets for producing goods for domestic market and overseas markets . Hence separate figures for assets /additions to fixed assets can not be furnished .

- c) Segment accounting polices :

In addition to the significant accounting policies applicable to the business segment as set in note 1 of schedule 19 "notes to accounts" the accounting policies in relation to segment accounting are as under :

- i) Segment revenue & expenses :

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

- ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowance and provisions, which are reported as direct off sets in the balance sheet. Segment. Liabilities include all operating Liabilities and consist principally of creditors & accrued liabilities. Segment assets and liabilities do not include deferred income taxes except in the Engg. Div. While most of the assets/liabilities directly attributed to individual segments.

- iii) Inter segment sales :

Inter segment revenues between operating segments are accounted for at market price. These transaction are eliminated in consolidation.

The main division is Engg. Division and funds provided by Engg. Division to other division and interest on such balances are not charged.

11. Related Party disclosure under Accounting Standard AS-18 " Related party disclosures" issued by the Institute of Chartered Accountants of India:

During the year, the company entered into transactions with the related parties. Those transactions along with related balance as at 31<sup>st</sup> March 2007 and for the year ended are presented in the following tables.

List of related parties with whom transactions have taken place during the year along with nature and volume of transactions are summarized as follows

List of related parties and relationship:

Name of the related party	Relationship
Om Metal Auto (P) Limited	Subsidiary company
Om Metals Real Estate (P) Limited	
Om Metals Ratanakar (P) Limited	Enterprises over which significant influence exercised by directors.
Om Structural India (P) Limites (upto 15.02.2007 *)	
Om Rajasthan Carbide Limited (upto 15.02.2007 *)	
Om Kothari Cement & Chemicals (P) Limited (upto 15.02.2007*)	
OM Kothari Steel & Alloys Limited	
Richa Builders (P) Ltd. (upto 15.02.2007 *)	
SAH Build con (P) Ltd. (upto 15.02.2007 *)	



## OM METALS INFRAPROJECTS LTD.

Lambodar Finvest (P) Ltd. Jupiter Mfg. Co. (P) Ltd. (upto 15.02.2007 *) Om Kothari Pariwarik Trust Om Kothari Foundation Well Wisher Construction & Finance (P) Ltd. Hingiri Dealcom (P) Limited Benzer Agencies Limited Bahubali Housing Co. (P) Limited	
Om Kothari Enterprises Limited Bab Vinimay (P) Limited	Associate Promoter holding more than 20% or under the same management
1) OML+ JSC. Ukrain (JV) Kameng 2) Om Metals Consortium 3) Om Metals Infotech (P) Limited 4) Om Metals Developers (P) Limited 5) Murthal Tanks & vessels (P) Limited 6) Pondicherry SEZ Company Limited 7) Pondicherry Port Limited	Joint Venture/ Partnership firm
<b>Key Management persons</b> Shri T.C. Kothari Shri C.P. Kothari Shri D.P. Kothari Shri Sunil Kothari Shri Vikash Kothari Shri Vivek Kothari	Key Managerial Personnel
<b>Relatives of Key management persons</b> Smt. C. Manjula Kothari Smt. D. Manjula Kothari Seema Kothari Smt. Anita Kothari C.P. Kothari & Sons	Relative of directors

Note :

1\*All the above companies amalgamated as per scheme of a amalgamation Approved by the Hon'ble High court Rajasthan Jaipur on 19.01.2007 Effective from 15/02/07 The transaction are upto 15.02.2007 have been considered for the above companies . The closing balance as on 31.03.2007 are not shown due to the reason that these are not related parties as on that date.



2. Other Auditors who audited the financial statements of joint ventures or associates companies as at 31.03.2007 have not been disclosed the related party transaction in their report. In absence of these figures, we could not consolidated the same.
- 12)i) The details of disputed income tax , service tax , sales tax & Excise duty as on 31-03-07 are as follows.

Nature of the Statute	Nature of the Dues	Forum where dispute is pending	Demand Amount (Rs. in Lacs.)	Period to which the amount relates
Central Sales Tax Act, 1956. and Sales Tax Act of various states	Sales Tax	Commissioner (Appeals)/ Tribunal High court	111.59* 7.19	1984-85,1985-86 1990-91 to 1997-98, 02-03, 04-05 to 2005-06 1986-87
Central Excise Act, 1944	Excise Duty	Tribunal/ Commissioner (Appeal)	98.74	1987 to 1990, 1997-98, 2000 to 2006
Income Tax Act, 1961	Income Tax	CIT Appeal/ITAT	129.13**	1991-92,,96-97, 2001-02 to 2004-2005 and amalgamated Co. OSIPL-94-95, 2004-05, OKCC 2004-05, ORC- 2004-05, JMCPL-2004-05

\* Against it , the company paid Rs. 7.55 lacs and \*\* Rs. 138.78 lacs.

- ii) A show cause notice of service tax received by the company that service tax is payable on erection receipts in Engg. division of Om metals Infraproject Limited for the period from 01.04.2004 to on ward. There is no quantum of amount of service tax determined by the department. The company replied suitably.
13. Advance for Capital goods includes Rs 4.23 Lacs paid to Topkhana desh grih Nirman Samiti for purchasing of Land at Jaipur for construction of building . The matter is under subjudice.
14. Expenses relating to earlier year amounting to Rs . 1.22 Lacs (Previous Rs. 3.72 lacs) debited to misc & respective expenses heads.
- 15) Details of investments in the units of various Mutual Funds purchased and sold during the year are given below :-

Scheme Name	No. of Units purchased/O/B	No. of units Sold	Purchase Value (Rs.)	Sales Value (Rs.)
ABN Amro Mutual funds	20000	20000	230376	211187.38

16. Deferred Tax Liabilities (Net) :- (Rs. In Lacs)

Particulars	Deferred tax (assets)/ Liabilities as at 01.04.2006	Current year (charge)/ credit	Deferred tax (assets)/ liabilities as at 31.03.2007
Difference between book & tax depreciation	22290653	-4371257	17919396
Provision for gratuity/ Leave with wages	-676800	-546478	-1223278
Others	-267083	0	-267083
Total :-	21346770	4917735	16429035





## OM METALS INFRAPROJECTS LTD.

### 17. Information in respect of joint venture and partnership: -

(Rs. in lacs)

S.No.	Name of Company/ firm	OML + JSC Ukrain , Kaming (JV)	Om Metals Conсор. (PF)	Om Metals Infotech (P) Ltd.(JV)	Om Metals Developers (P) Ltd.(JV)	Murthal Tanks & Vessels (P) Ltd. (JV)
1	Proportion of ownership interest	60%	35% See note (b)	50%	25%	50%
2	Country of incorporation or registration	India	India	India	India	India
3	Accounting period ended	31.03.07	31.03.07	31.03.07	31.03.07	31.03.07
4	Assets	1973.81	2313.64	1229.78	587.82	-
5	Liabilities	1973.81	668.57	1229.28	587.57	-
6	Income	82.06	0.00	0.62	0.06	-
7	Expenditure	69.87	2.65	0.55	0.05	-
8	Remarks	-	See note "C"	See note "D"	See note "C"	See note "E"

S.No.	Name of Company/firm	Pondicherry SEZ Co.Limited	Pondichary port limited
1	Proportion of ownership interest	37%	50%
2	Country of incorporation or registration	India	India
3	Accounting period ended	31.03.07	31.03.07
4	Assets	209.29	133.71
5	Liabilities	206.59	131.21
6	Income	0.0	0.00
7	Expenditure	0.00	0.00
8	Remarks	See note "C"	See note "C"

S.No	Name of company	OML + JSC ukrain, Kaming (JV)	Om Metals consortium (PF)
1	Proportion of ownership interest	60%	See note - b
2	Country of incorporation or registration	India	India
3	Accounting period ended	31.03. 06	31.03.06
4	Assets	503.04	781.47
5	Liabilities	1508.61	14.92
6	Income	30.76	0.00
7	Expenditure	-	-
8	Remarks		See note "C"





Joint venture (JV) Companies and Partnership firm (PF): Current Year

Joint venture companies (JV)/Partnership firm in **Previous year**

(Rs. In Lacs)

Name of Joint Venture	% of holding
OML+ JSC. Ukrain (JV) Kameng	60%
Om Metals Consortium	35%
Om Metals Infotech (P) Limited	50%
Om Metals Developers (P) Limited	25%
Murthal Tanks & vessels (P) Limited	50%
Pondicherry SEZ Company Limited	37%
Pondicherry Port Limited	50%

**Note :-**

- a) The above details represent proportionate amount of the company's share in the joint ventures/firm.
- b) Om Metals consortium is a partnership firm. Following are partner & their share ratio as per deed drawn up Nov. 2005 in profit/loss are as per deed drawn up Nov-2005 :-

Name of partner	Share ratio
Om Metals Infraprojects Limited	35.00%
Subhash projects & marketing Ltd.	10.00%
Nikhil Township (P) Limited	30.00%
Amrfina Construction (P) Ltd.	10.00%
Morya Housing Limited	10.00%
Wellwisher Cons. & Finance (P) Ltd.	5.00%

- c) Figures are taken in the books of accounts on the basis of unaudited financial results in current year as well as in the previous year.
- d) The company made investment of Rs. 1086.41 Lacs in Om Metals Infotech (P) Limited (Joint Venture) As per latest available financial statement of Om Metal Infotech (P) Limited, The company has purchased properties along with plant & machinery of a Sick company amounting to Rs. 2401.98 lacs. The matter is under subjudice. Legal opinion taken by the company (JV), The company (JV) believes that there is fair chance of decision in its favour.
- e) The Figures of Joint Venture and Associate companies i.e. Murthal Tanks & Vessels Pvt. Ltd., Om Kothari Enterprises Ltd., Baba vinimay (P) Limited are not available. The balance sheet of the joint venture and Associates companies are under preparation.
18. The company has given the multiplex to Inox Leisure Ltd for Operating under business agreement on profit sharing basis for a period from 16.06.2006 to 15.06.2013.
19. Pursuant to scheme of amalgamation erstwhile Om Structurals India (P) Limited, Om Kothari Cement & Chemicals (P) Limited, Om Raj Carbide Limited, Jupiter Manufacturing co. (P) Limited, Richa Builders (P) Limited, SAH Buildcon (P) Limited was amalgamated with the company w.e.f. 15.02.2007. Therefore the results of the year ended on 31.03.2007 are not strictly comparable with the previous year.



## OM METALS INFRAPROJECTS LTD.

20. In accordance with the Accounting Standard – 7 on ‘ Construction Contracts ‘ issued by ICAI , the breakup of the contracts in progress at the reporting date is as under which is included in Engg. Division :

Particular	Rs. In Lacs	
	As of 31.03.2007	As of 31.03.2006
Revenue recognized	237.80	99.90
Cost Incurred		
Advance Received		
Retentions	0	0

21. The company has the following joint ventures as at 31.03.2007 and its % holding is given below.  
The proportionate share of assets, liabilities , income & expenditure of the above joint venture companies is given as per annexure – A.
21. The company has claimed deduction U/s. 80 IA(4) of Income Tax Act , 1961 on the profit of Goshikhurd Project, however as per Finance Act, 2007 the following amendments have been made in the income tax act.
- 80IA(4) after sub section 13
- Explanation – for the removal of doubts , it is hereby declared that nothing contained in this section shall apply to a person who executes a works contract entered into with the under taking or enterprise, as the case may be .*
- i.e. the above explanation have been added in the Finance Act,2007. The company has taken opinion of tax experts and as per the said opinions the company is hopeful to get benefit under section 80 IA (4), therefore the company has not made any provisions for the liability arises if the deduction is denied by the authorities. However , so far the department have not taken any action against the company therefore neither the liability quantified nor provided.
22. Figures for previous year have been re-arranged/regrouped wherever necessary to Make them comparable.
23. Figures pertaining to the subsidiaries , joint ventures and Associates companies have been reclassified wherever considered necessary to bring them in line with the company’s financial statements .
24. Schedule 1 to 19 and the statement of additional information form an integral Part of the Balance Sheet & Profit and Loss Account and have been duly authenticated.

SIGNED FOR IDENTIFICATION  
For M.C. BHANDARI & CO.  
CHARTERED ACCOUNTANTS  
(S.K. MAHIPAL)  
PARTNER  
M.No. 70366  
38, SHOPPING CENTRE  
KOTA (RAJ.)  
DATED: 30-06-2007

For and on behalf of Board of Directors  
(T.C. KOTHARI)  
CHAIRMAN  
(C.P. KOTHARI)  
MANAGING DIRECTOR  
(D.P. KOTHARI)  
DIRECTOR  
PRIYA JAIN  
COMPANY SECRETARY)



d) Information about business segments for the year 31.03.2007:

Particulars	Om Metals Infraprojects Limited						Total									
	Engg. Div.		Multi plex Div.		Hotel & Res. Div.											
	Current year	Previous year	Current year	Previous year	Current year	Previous year										
Om Metals Auto P.Ltd.	Om Metal Ratnakar P. Ltd	Om Metal Real Estate P. Ltd	Joint Ventures													
Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year									
(1) Segment Revenue :																
External sales/income (Net)	8394.05	6520.23	211.85	369.85	585.88	488.74	4190.08	2802.74	0.00	0.00	0.00	52.11	0.00	13433.97	10181.56	
Income from services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other receipt	478.43	921.21	2.81	19.81	26.80	15.79	6.58	2.77	0.00	0.00	0.00	30.62	0.00	545.24	959.58	
Inter segment sales / O.Receipts	-7.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7.78	0.00	
<b>Total Revenue</b>	<b>8864.70</b>	<b>7441.44</b>	<b>214.66</b>	<b>389.66</b>	<b>612.68</b>	<b>504.53</b>	<b>4196.66</b>	<b>2805.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>82.73</b>	<b>0.00</b>	<b>13971.43</b>	<b>11141.14</b>	
(2) <b>Segment Results :</b>																
Segments results	2372.64	2232.31	144.68	210.44	158.24	70.20	47.79	20.28	-0.03	0.00	0.00	-13.80	23.02	2709.49	2556.25	
Unallocated expenses (Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Operating profit before Int.	2372.64	2232.31	144.68	210.44	158.24	70.20	47.79	20.28	-0.03	0.00	0.00	-13.80	23.02	2709.49	2518.60	
Financial exp.	385.26	163.14	13.51	12.00	60.56	63.62	30.26	24.95	0.00	0.00	0.00	0.75	15.13	490.34	278.84	
Interest income	417.30	174.30	0.00	0.00	0.00	0.00	0.04	0.25	0.00	0.00	0.00	30.62	30.76	447.96	205.31	
Income tax current	300.00	210.00	0.00	0.00	0.00	0.00	3.60	0.00	0.00	0.00	0.00	6.24	4.00	309.84	214.00	
F B T	22.50	20.52	0.08	0.16	1.05	1.32	3.05	1.43	0.00	0.00	0.00	0.22	0.00	26.90	23.43	
Deferred tax assets/Lia.	-49.02	-22.91	0.00	0.00	0.00	0.00	-0.16	0.00	0.00	0.00	0.00	0.00	0.00	-49.18	-22.91	
<b>Net Profit</b>	<b>2131.20</b>	<b>2032.86</b>	<b>131.09</b>	<b>198.28</b>	<b>96.63</b>	<b>5.26</b>	<b>11.08</b>	<b>-5.85</b>	<b>-0.03</b>	<b>0.00</b>	<b>-0.03</b>	<b>9.62</b>	<b>7.89</b>	<b>2379.55</b>	<b>2230.55</b>	
3 (i) <b>Other information :</b>																
Segment Assets	32343.04	10699.36	369.92	385.56	3532.98	2172.87	519.98	467.26	0.85	0.85	0.85	6311.60	3799.20	43079.22	17524.25	
Unallocated Assets																
<b>Total Assets</b>	<b>34219.62</b>	<b>11992.42</b>	<b>610.89</b>	<b>515.19</b>	<b>1872.82</b>	<b>750.91</b>	<b>521.12</b>	<b>465.55</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>6448.04</b>	<b>2168.70</b>	<b>37682.92</b>	<b>14246.30</b>	
<b>Segmet's Liabilities :</b>																
Secured & Unsecured Loan	3681.42	1601.33	0.00	106.87	579.96	635.40	393.87	276.19	0.00	0.00	0.00	1997.27	42.30	6652.52	2662.09	
Segment liabilities	4984.45	5893.47	107.45	35.97	88.31	178.28	119.27	189.36	0.03	0.03	0.03	4445.59	2118.51	9745.13	8415.59	
Deferred tax liabilities	164.45	213.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	164.45	213.46	
Total Segment liabilities	8830.32	7708.26	107.45	142.84	668.27	813.68	513.14	465.55	0.03	0.03	0.03	6442.86	2160.81	16562.10	11291.14	
Unallocated Liabilities																
<b>Total Liabilities</b>																
Capital Expenditure	8016.29	949.64	0.41	0.44	1333.73	20.18	36.49	3.57	0.00	0.00	0.00	2753.99	0.00	12140.91	973.83	
Depreciation	246.70	225.78	16.43	16.38	65.83	56.33	8.99	0.72	0.00	0.00	0.94	0.00	0.00	338.89	299.21	
Amortisation	114.35	0.00	0.00	0.00	0.00	0.00	0.29	0.00	0.00	0.00	14.27	0.00	0.00	128.91	0.00	
Non cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

**OM METALS INFRAPROJECTS LIMITED****Annexure - A**

Details of the company's share in joint venture included in the Consolidated Financial statement statement are as follows :-

(Rs.In 000)

Particulars	31.03.2007	31.03.2006
Sources of funds :		
Share holder funds :	0	0.00
Reserve & Surplus	8	789
Secured Loans funds	31587	4230
Unsecured loan	7705	0.00
Total :-	39300	5019
<b>Application of funds :</b>		
<b>Gross Block</b>		
Fixed assets	20799	0.00
Less: Depreciation	94	0.00
Capital Work In Progress	254515	0.00
Investment	120099	0.00
<b>Current Assets, Loans &amp; Adv.</b>		
Inventories	17094	0.00
Sundry debtors	4335	0.00
Cash & bank balance	47805	50756
Loans & advances	166608	2274
	631349	53031
Less: Current liabilities & prov.	444559	146315
	186790	93284
Miscellaneous Exp.	13644	
Total Application of funds	200434	-93284
<b>Income :</b>		
Income from Operation	5211	
Other Income	3062	3076
<b>Total Income :</b>	8273	3076
<b>Expenditure :</b>		
Material Consumption	3133	
Payment to & Provision for Employees	873	
Manufacturing & Operating Exp	1039	
Admn. Selling	2892	374
Finance exp.	74	15126
Depreciation	12	0
		15500
Profit before taxation	1607	-12424
Provision fro F.B. Tax	22	0
Less:provision for taxation	624	400
Profit after tax	961	-12824

Note : The above figures are before elimination in loans & advance Rs. 29.46 Crore and current liabilities Rs. 29.87 Crore.

SIGNED FOR IDENTIFICATION  
For M.C. BHANDARI & CO.  
CHARTERED ACCOUNTANTS  
(S.K. MAHIPAL)  
PARTNER  
M.No. 70366  
Place : Kota  
DATED: 30-06-2007

For and on behalf of Board of Directors  
(T.C. KOTHARI)  
CHAIRMAN  
(C.P. KOTHARI)  
MANAGING DIRECTOR  
(D.P. KOTHARI)  
DIRECTOR  
PRIYA JAIN  
COMPANY SECRETARY)



**OM METALS INFRAPROJECTS LIMITED**  
**(Formerly known as Om Metals Limited)**  
**Consolidated Cash Flow Statement for the year ended**

Particulars	Year ended	
	31-03-2007	31-03-2006
<b>A. Cash Flow from operation Activities</b>		
Net Profit After Depreciation	266710685.77	244507572.29
<b>Add:-</b>		
Depreciation	33409956.41	29921083.61
Interest and Bank Commission Paid	49034110.16	27884346.21
Public Issue Exp. Written off	12890576.00	0.00
Share of Loss from Om Metals Auto P. Ltd.	0.00	0.00
	<b>362045328.34</b>	<b>302313002.11</b>
<b>Less:-</b>		
Interest Reciept	44795990.94	20530849.82
Profit on Sale of Fixed Assets	69290.63	1251845.38
	<b>44865281.57</b>	<b>21782695.20</b>
Operating Profit before working capital changes	317180046.77	280530306.91
<b>Adjustments for :</b>		
Trade and other receivable	-15094487.08	-16167119.86
Inventories	-13808908.66	-60753544.66
Loans & Advance	-149653588.9	792730.01
Trade payable	-163109197.4	143600996.9
	<b>-24486135.19</b>	<b>348003369.25</b>
<b>Add:-</b>		
Interest and Bank Commission Paid	-49034110.16	-27884346.21
Direct Taxes Paid	-27717199.12	-23934432.38
Provision for Gratuity & Leave Encashment	1623524.00	152631.00
Net cash flow from operating activities	<b>(A) -99613920.47</b>	<b>296337221.66</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	-89491895.42	-97383180.17
Increase in Capital,WIP and Advances	-247144696.00	23837755.15
Investments	-128833796.84	-2258775.03
Sale of Fixed Assets	1071372.00	6805575.96



## OM METALS INFRAPROJECTS LTD.

Interest received	44795990.94	20530849.82
Net cash flow from/used in investing activities	<b>(B) -419603025.32</b>	<b>-48467774.27</b>
<b>C. Cash Flow from financing activities :</b>		
Secured Loan as Term Loan	25240085.41	-14171765.05
Secured Loan as Work Cap.	208940231.89	79661129.19
Unsecured Loan	4428004.50	2279998.00
Dividend Tax	-34776476.00	-37655102.00
Share premium/Share Capital	1200000000.00	0.00
Expenses on issue of Shares	-72289314.34	0.00
Net cash used in financing activities	<b>(C) 1331542531.46</b>	<b>30114260.14</b>
<b>Increase/(Decrease) in cashand cash equivalents</b>		
Cash and cash equivalents as at 1st April.2005	582397921.51	304414213.98
A. Cash Flow from Operating Activities	-99613920.47	296337221.66
B. Cash Flow from Investing Activities	-419603025.32	-48467774.27
C. Cash Flow from Financing Activities	1331542531.46	30114260.14
<b>Closing Cash and Other Equivalents as on 31st March,2006</b>	<b>1394723507.18</b>	<b>582397921.51</b>

As per our Report of even date annexed

For M.C.Bhandari & Co.  
Chartered Accountants  
S. K. Mahipal  
Partner  
(Chairman)  
M.No.70366  
Place : Kota  
Dated : 30-06-2007

For and behalf of Board of Directors

T.C.Kotharr  
(Chairman)  
C.P.Kothari  
(M.Director)  
D.P.Kothari  
(Director)  
Priya Jain  
(Company Secretary)



**OM METALS INFRAPROJECTS LIMITED**  
 (Formerly Om Metals Ltd.)  
 Regd. Office: Om Towers, Church Road, M I Road, Jaipur – 302 001

**ATTENDANCE SLIP**  
**35<sup>th</sup> Annual General Meeting**  
**Saturday, 29<sup>th</sup> September, 2007 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 35<sup>th</sup> Annual General Meeting of the Company at **Om Towers, Church Road, M I Road, Jaipur** on **Saturday, 29<sup>th</sup> September, 2007** 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 of the Annual Report for reference at the meeting.

**PROXY FORM**  
**OM METALS INFRAPROJECTS LIMITED**  
 (Formerly Om Metals Ltd.)  
 Regd. Office: Om Towers, Church Road, M I Road, Jaipur – 302 001

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 INFRAPROJECTS 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 35<sup>th</sup> Annual General Meeting of the Company to be held on **Saturday, 29<sup>th</sup> September, 2007** at 11.00 A.M or any adjournment thereof.

Affix Re. 1/-Revenue Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007

**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.