

REPORT ON CORPORATE GOVERNANCE

The securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (the code) through clause 49 in the listing agreement executed by the Company with stock exchanges. Clause 49 lays down several corporate governance practices which listed Companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporate. While most of the practices laid down in clause 49 require mandatory compliance, others are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2007-08.

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 maximizing 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 shareholders' wealth

1. Board of Directors

In terms of the Articles of Association of the Company strength of the board should not be less than three and more than twelve.

1.1 Composition of the Board

As on 31st March, 2008, the Board comprised seven directors 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 directors bring to the board wide range of experience and skills.

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.

1.2 Responsibilities

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.

1.3 Board Meetings

The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory reports are circulated in advance for the proper and meaningful decisions at the meetings.

During the year under review, 8 Board Meetings were held as against the minimum requirement of 4 meetings viz; on 27.05.2007,29.05.2007, 30.06.2007, 31.07.2007, 16.08.2007, 30.10.2007, 30.01.08, 15.02.2008 and 03.03.2008

The maximum interval between any two meetings during this period was not more than 4 months as stipulated under the listing agreement.

Except the Managing Director and whole time 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:

Name of Director	Category	Designation	Attendance Particulars		Directorship of other Indian Companies		Committees' Memberships*	
			Board Meetings	Last AGM	Public	Private	Member	Chairman
Dr. T.C. Kothari	Promoter & Non-Executive Director	Chairman	8	Yes	-	-	1	1
Mr. C.P. Kothari	Promoter & Executive Director	Managing Director	8	Yes	3	3	-	-

Mr. D.P Kothari	Promoter & Executive Director	Whole-time Director	8	Yes	-	1	-	-
Mr. Sunil Kothari	Promoter & executive Director	Whole-time Director	8	Yes	2	8	-	-
Mr. P.C. Jain	Independent & Non-Executive Director	Director	7	Yes	-	1	2	-
Mr. Kamal Chandwar	Independent & Non-Executive Director	Director	7	No	-	1	1	1
Mr. Ghan Shyam Gupta	Independent & Non-Executive Director	Director	4	No	-	1		

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

2. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following committees:

- i) **Audit Committee**
- ii) **Shareholders/investors Grievance Committee**

2.1 Audit Committee

The Constitution, quorum, scope etc of the Audit Committee of the Company are according to the provisions of the listing Agreement

Constitution and composition of the 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.

Constitution of audit committee and other related information as on 31st March 2008 are as under:

Name of Director	Status	No. of Meetings	
		Held	Attended
Mr. Kamal Chandwar	Chairman	4	4
Mr. P.C. Jain	Member	4	3
Dr. T. C Kothari	Member	4	3

SCOPE OF THE AUDIT COMMITTEE

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.

Meetings

During the Financial year 2007-08, 4 Audit Committee Meetings were held on 27.06.07, 27.07.07, 24.10.07, 25.01.08

2.2. Shareholders'/Investors' Grievance Committee

The Company has constituted shareholders/investors Grievance Committee in line with the provisions of listing agreement.

Composition

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.

Scope 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.

Meetings

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	5	5
Non-receipt of share certificate/Transfer/ Transmission	3	3
Non-Receipt of dividend	3	3
Others	15	15
TOTAL	26	26

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 2007-08.

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.

2.3. 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 31st March 2008 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

3. 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
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
2006-07	29.09.2007	11:00a.m	Om Tower, M.I. Road, Jaipur

Following three resolutions were passed by 'postal ballot' in the financial year 2006-07:

1. Ordinary Resolution passed 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 passed 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 passed on 04.07.2007 to permit 100% Foreign Direct Investment in the company in accordance with RBI Circular No. 02/2007

The following resolutions is proposed to be passed by 'Postal Ballot' in the ensuing Annual General Meeting of the Company

1. Special Resolution for the appointment of the relatives of the directors to an office or place of profit u/s 314(1B)
2. Ordinary Resolution for the revision of the remuneration of Managing Director and Whole time directors
3. Special Resolution for the Increase in the limits u/s 372 A of the Companies Act, 1956.

4. 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.

5. Means of Communication

- The means of communication between the Company and the Shareholder are transparent and friendly.
- The Company does not have a system of sending results to shareholders individually but queries , if any, are replied immediately.
- During the financial year 2007-08, quarterly unaudited financial results generally published in Economic Times, Navbharat Times , Financial Times and Capital market. 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.

6. General Shareholder Information

Annual General Meeting

20th September, 2008 at 11.00 a.m.
at Om Towers, Church Road, M I
Road, Jaipur, Rajasthan

Book Closure Period

18th Sept to 20th Sept, 2008
(both days inclusive)

Financial Calendar

(Tentative and subject to change)

' Financial Reporting for Quarter ending 30 th June 2008	Last week of July, 2008
' Financial Reporting for Half year ending 30 th September 2008	Last week of Oct, 2008
' Financial Reporting for Quarter ending 31 st December 2008	Last week of Jan, 2009
' Financial Reporting for Quarter ending 31 st March 2009	Last week of April, 2009

Listing on Stock Exchanges*

The Stock Exchange, Mumbai

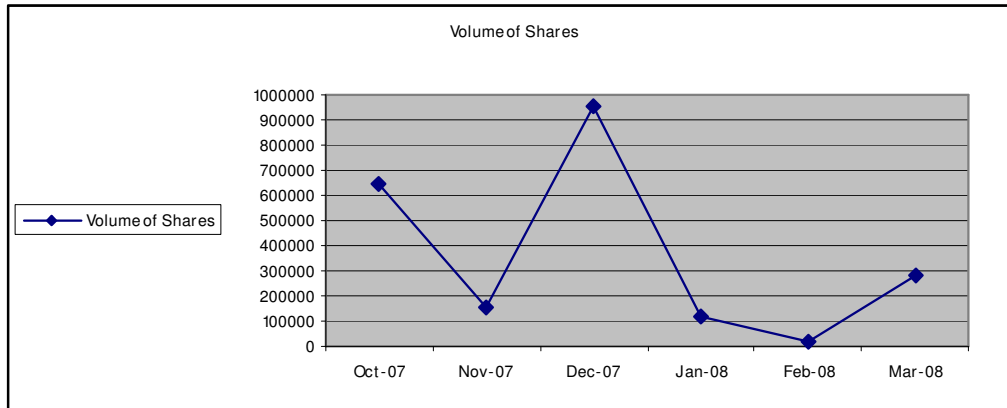
Stock Code

BSE-531092

ISIN

INE239D01028

Stock Market Price Data



Mumbai Stock Exchange

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume of Shares	Volume (Rs.)
Oct-2007	60.00	44.00	58.20	641356	
Nov-2007	97.00	58.05	76.70	157764	
Dec-2007	101.50	77.60	99.10	950275	
Jan-2008	109.35	58.00	69.95	121891	
Feb-2008	75	56.00	58.45	22126	
Mar-2008	59.30	38.00	42.45	285669	

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 with in 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 31st March 2008)

Category	No. of Shareholders	No. of Shares held	% of Total
Promoters	34	62250549	64.64
Mutual Funds and UTI	4	5660941	5.88
FIIIs	12	17565269	18.24
Corporate Bodies	342	5373595	5.58
Indian Public	6653	4958156	5.15
NRIIs/OCBs	79	301696	0.31
Trusts	1	193603	0.2
Any Other (specify) (Clearing houses & Clearing members)	-	-	-
Total	7125	9,63,03,809	100.00

Dematerialisation of Shares and liquidity

As on 31st March 2008, 7,60,56,250 Equity Shares i.e. 78.94% 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
2. Kameng in Arunachal Pradesh,Largi, Koldam in Himachal Pradesh, Siliguri in West Bengal, Goshikhurd in Maharashtra, Sewa in Jammu & Kashmir, 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

Auditors' Certificate on Compliance with the Conditions of Corporate under Clause 49 of the Listing Agreement

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 2008, 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 2008, no investor grievances are pending against the Company as on 31st March 2008 as per records maintained by the Company and presented to the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which Management has conducted the affairs of the Company.

Sd/-

S.K.Mahipal

Partner

For and on Behalf of

M.C.Bhandari & co.

Chartered Accountants.

Place: Kota

Dated: 30.6.2008