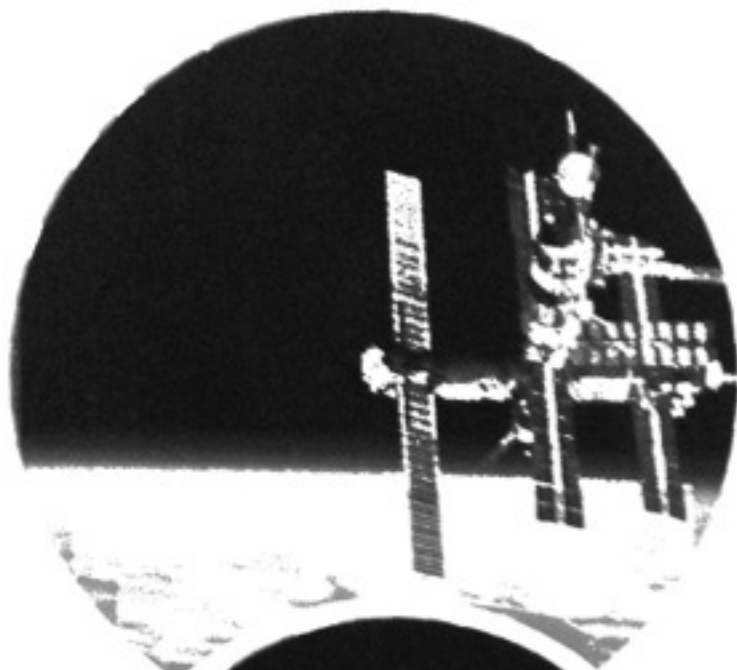
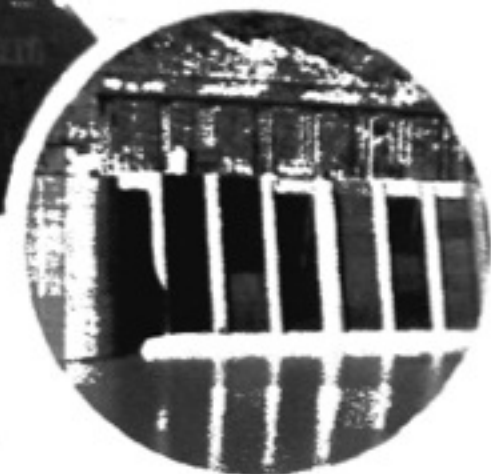




OM METALS
INFRAPROJECTS LTD



Bringing tomorrow to your doorsteps.



Annual Report
2005-06



“ राष्ट्र की जलधाराओं को नियंत्रित करके देश की समृद्धि में निरंतर कार्यरत”
—हमारा संकल्प — स्वर्गीय श्री ओम जी व कुलदीप जी के इस सपने को साकार करना

“ Channelizing India's huge water resources for the nations progress”
We are committed towards realizing the dreams and vision of
our beloved (Late) Sh. Om Kothari and Kuldeep Kothari

Chairman's Message

It has been my privilege to have provided leadership to your company since its inception.

It is a matter of great pride and deep satisfaction for Team Om Metals that during this period, we have not only grown the company to a significant size, but also created enormous shareholder value.

During this period, despite substantial investments to support further growth, efficiency in terms of Return – on Capital Employed improved significantly – from 10.66% in 2004-05 to 34.19% in 2005-06. During this entire period, the total shareholder value, measured in terms of increase in market capitalization grew at almost 700%. A fact that placed your company among the foremost in the country – in terms of growth – in shareholders value, over the last couple of years. During the period, the turnover jumped by 88%, whereas profits increased by 386%, in the process, recording a phenomenal growth in the entire history of Om Metals.

We believe that the Indian economy is on a robust growth trajectory and the Indian Hydro Power Sector also has an immense potential to grow. Government of India is geared up to maintain the momentum of 7-8% growth in GDP and to cater the fast movement in the infrastructural development. Government of India's initiation of "power for all", by installing an additional 1,00,000 MW of generation capacity by 2012 is of paramount importance here. A thrust for development of 50,000 MW of hydropower by 2017 would address the much-needed stability for the power regime and is likely to restore hydro-thermal mix to 40:60, as recommended by the Ministry of Power for the power system of this size, while moderating the rising.

Your company is fully geared up to take on upcoming challenges in the execution of turnkey solutions for hydro mechanical equipments. We believe that we are well-positioned to be a part of this growth story, and play our role as one of the growth engines of the Hydropower Sector. We are presently executing projects having capacities of more than 20,000 tons. Also, we plan to add more on our own, as well as through joint ventures and acquisitions.

With the economy recording a growth of 8% in GDP and being assisted by a surge of over \$7.5 billion in foreign direct investment, the infrastructure sector is on a high growth trajectory and poised to scale new peaks. Investment in infrastructure is vital for a developing economy, and India is bound to upgrade its infrastructure in line with the increasing demands of the industry. Independent agencies estimate an investment of around \$75 billion in the next six years. Over a three year period of 2006 to 2008, Asian Development Bank would increase its

lending to India to over \$6 billion, with its prime focus on transport, energy and water. World Bank is planning an investment of \$3.5 billion in infrastructure focusing on roads, irrigation and hydel generation. All these augur well for the industry and promise very stimulating and exciting times ahead.

This factor has influenced us to expand our wing in real estate & the infrastructure sector and your company has taken prestigious real estate projects in Jaipur, Mumbai and Hyderabad. The company through SPVs shall be developing more than 5 million sq ft of residential, IT parks & commercial space in these places. The development of Kota Residential Township is in full swing and the company has initiated for amalgamating the associate companies which own the partial land of Kota township, land of Hotel and Kota works. The amalgamation shall bring in enormous land bank in the company, which would add to incremental revenues to the company in the years ahead.

The industry is continuously evolving and the role of the government is being redefined from being the creator, to that of a facilitator i.e. define economic model, formulate policies and invite investments. The country is moving from a traditional model of being financed by the government bodies to funding by the private sector, which has opened many doors and given numerous options to infrastructure players.

In a big leap in the infrastructure sector, your company on JV basis has been qualified for development of port and SEZ in Pondicherry. The concession agreement for the development of port on BOT basis has been signed with Govt. of Pondicherry. Meanwhile, for SEZ, the clearance of the Central Govt is awaited.

The name of the company also stands changed to "Om Metals Infraprojects Ltd." to justify the existing activities and businesses.

I would like to take the opportunity to express my gratitude to the govt. agencies, board, customers, consultants, suppliers, bankers, employees and our valued shareholders for their unceasing confidence and support.

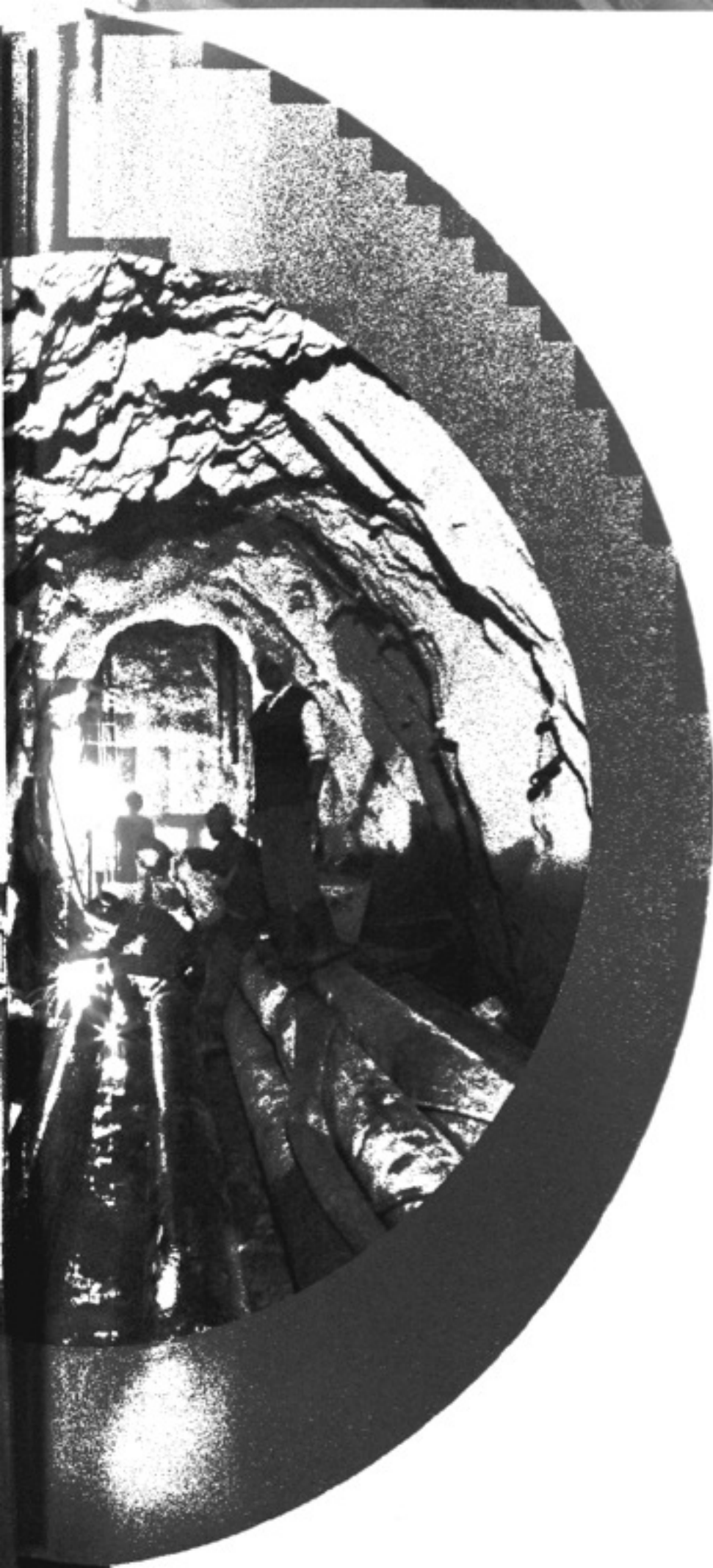
Regards,
Dr. T.C. Kothari



"At the stroke of the midnight hour when the world sleeps, India will awake to life and freedom." These words still reverberate in the ears of every Indian. For every single Indian knows about the eras of sacrifice, far-sightedness and determination that went into the freedom struggle. Just so we could breathe in a free nation.

A rich history, for a richer tomorrow.





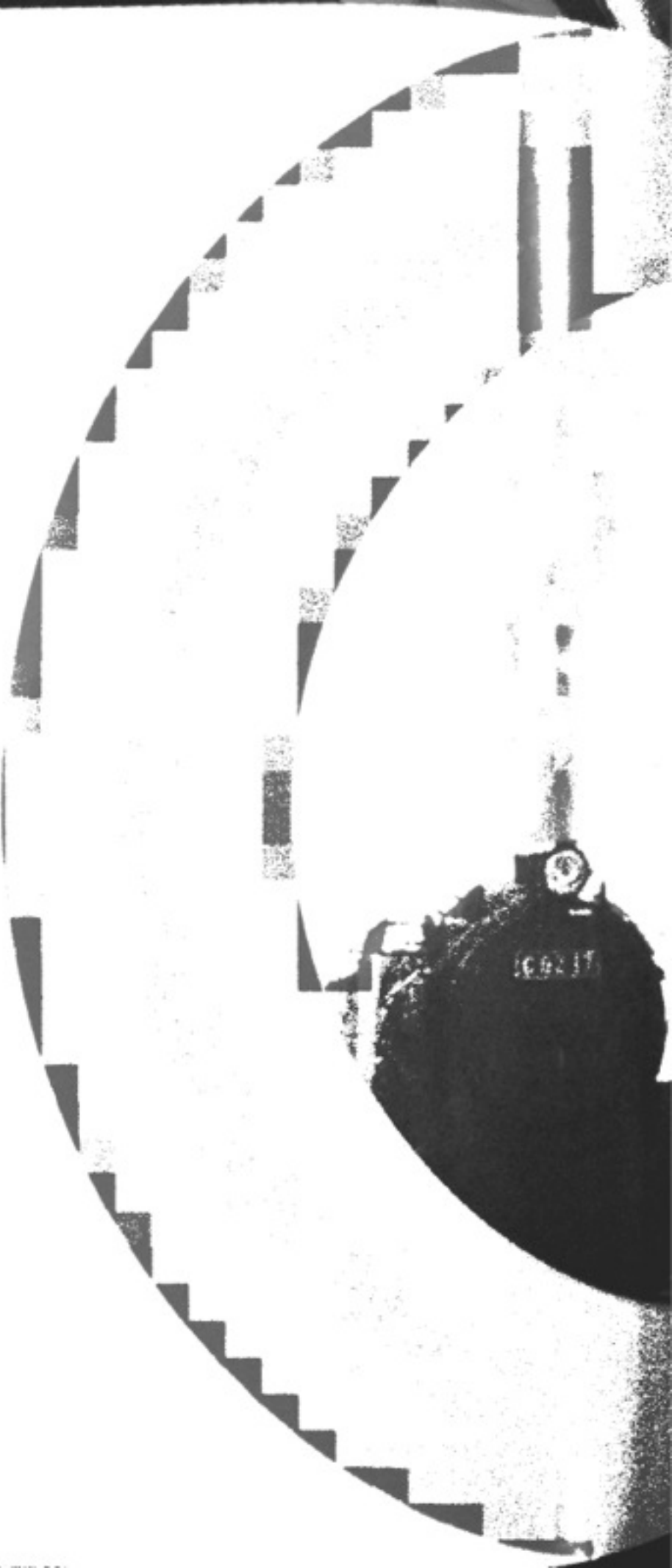
For more than 35 years now, Om Metals Infraprojects Limited has been striving for a better tomorrow, through ground-breaking developments in technology, and overall day-to-day life. Be it in hydropower generation or irrigation projects, real estate verticals or hydromechanical equipments. Just to make life simpler—for the generations to come.

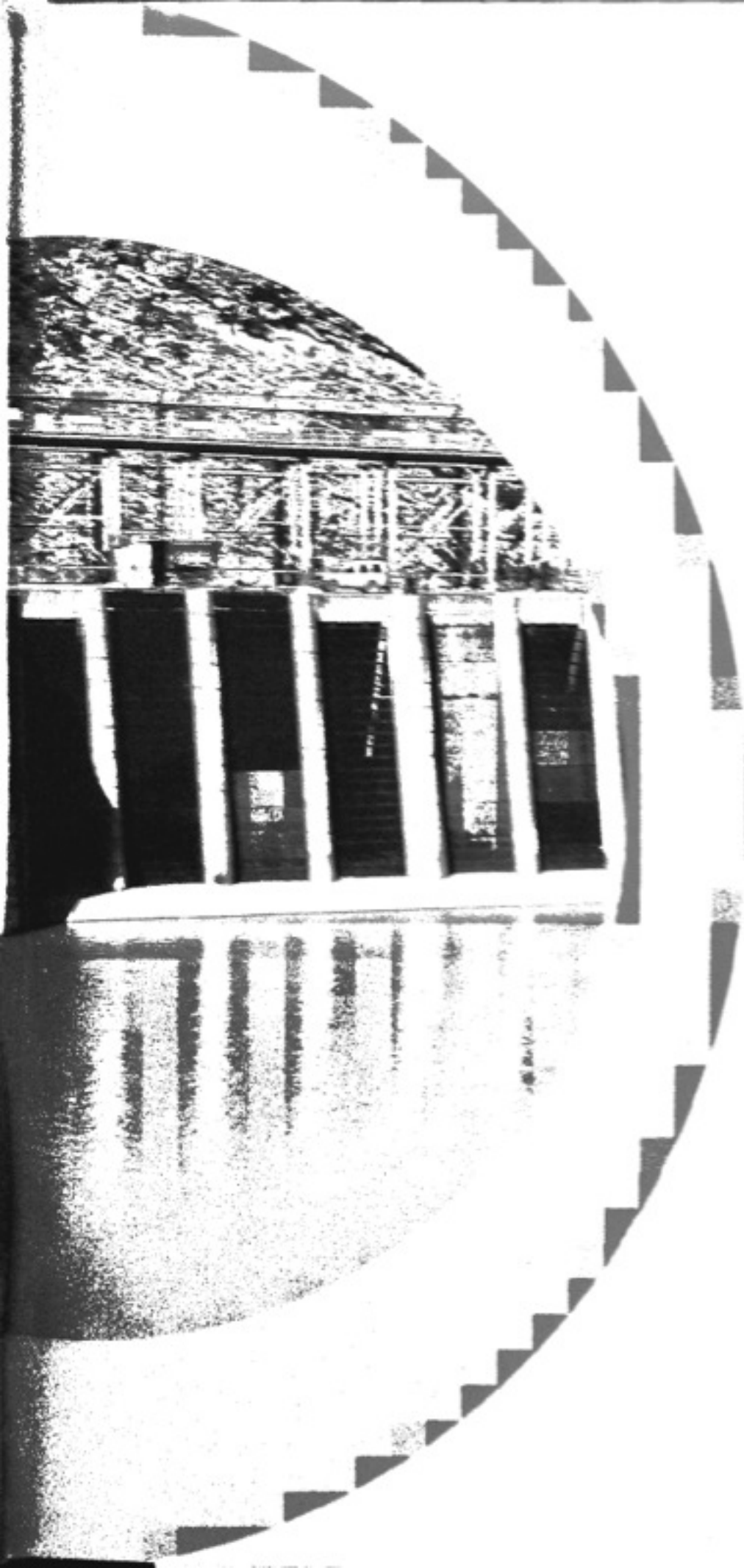


Our tomorrows are our reflections
our today. For it is what we envision
today that would eventually shape
where we stand in the days to come.
At Sun Metals Infrastructure Limited
what others think for tomorrow we
initiate today. A company known for
its futuristic strategies and foresight
we have remained a significant &
pioneering infrastructure growth in
India. A perfect mirror to take the
market steps ahead of its times. As the
great market has witnessed time and
again. Ones that have achieved as well
as others to reach with. A nation to
be proud of.



Who would have imagined that the 21 kilometre railroad from Bombay to Thane would one day connect the length and breadth of an entire nation? That it would, in the years to come, be the mode of travel for over 4.5 billion commuters annually. But it did not stop a few innovative minds from envisioning. A vision that has culminated in one of the world's largest railway networks.





Omi Metals is driven by similar innovative thoughts. Sparks of imagination that enlighten every step ahead. Be it through an increased presence across the globe or coming up with newer and better product offerings, exploring alternative and cost-effective sources of power or backward integration in civil projects, just to name a few. And in the process, channelising today's resources towards tomorrow's progress.



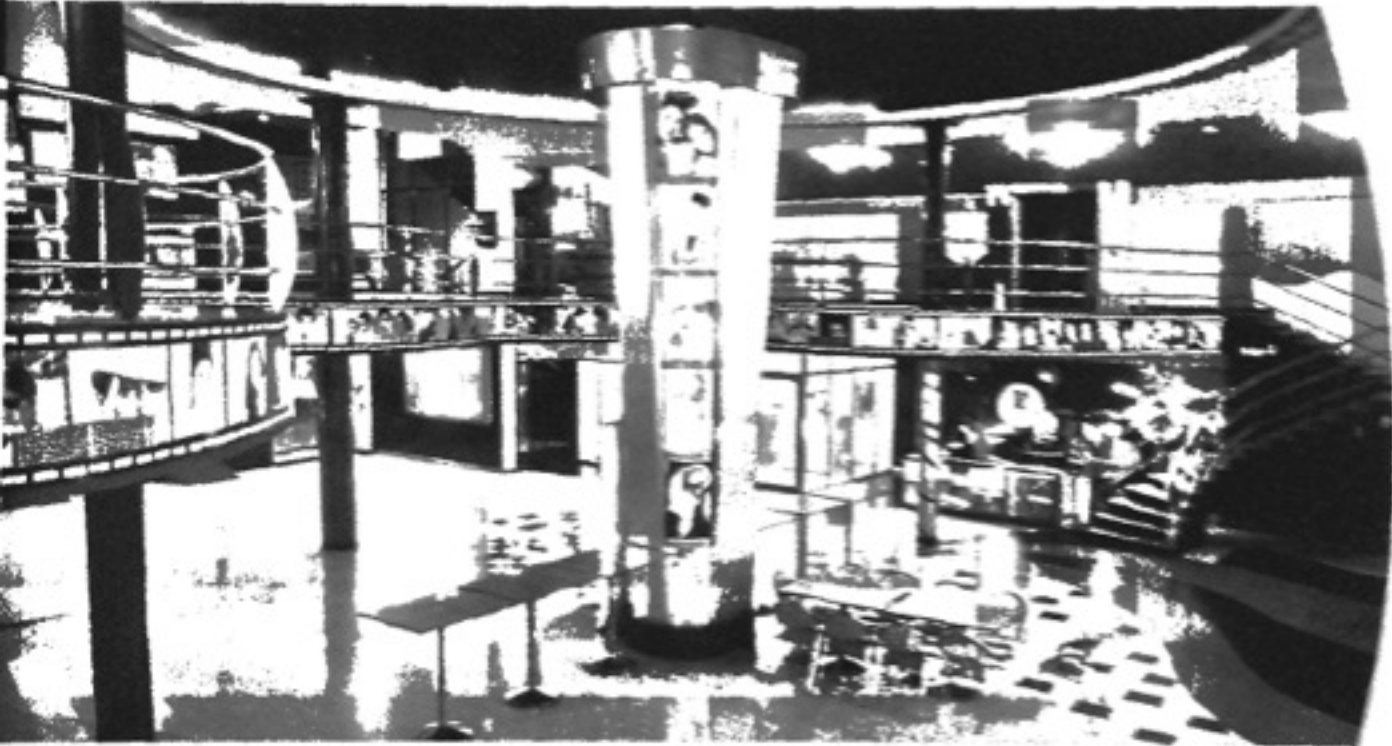
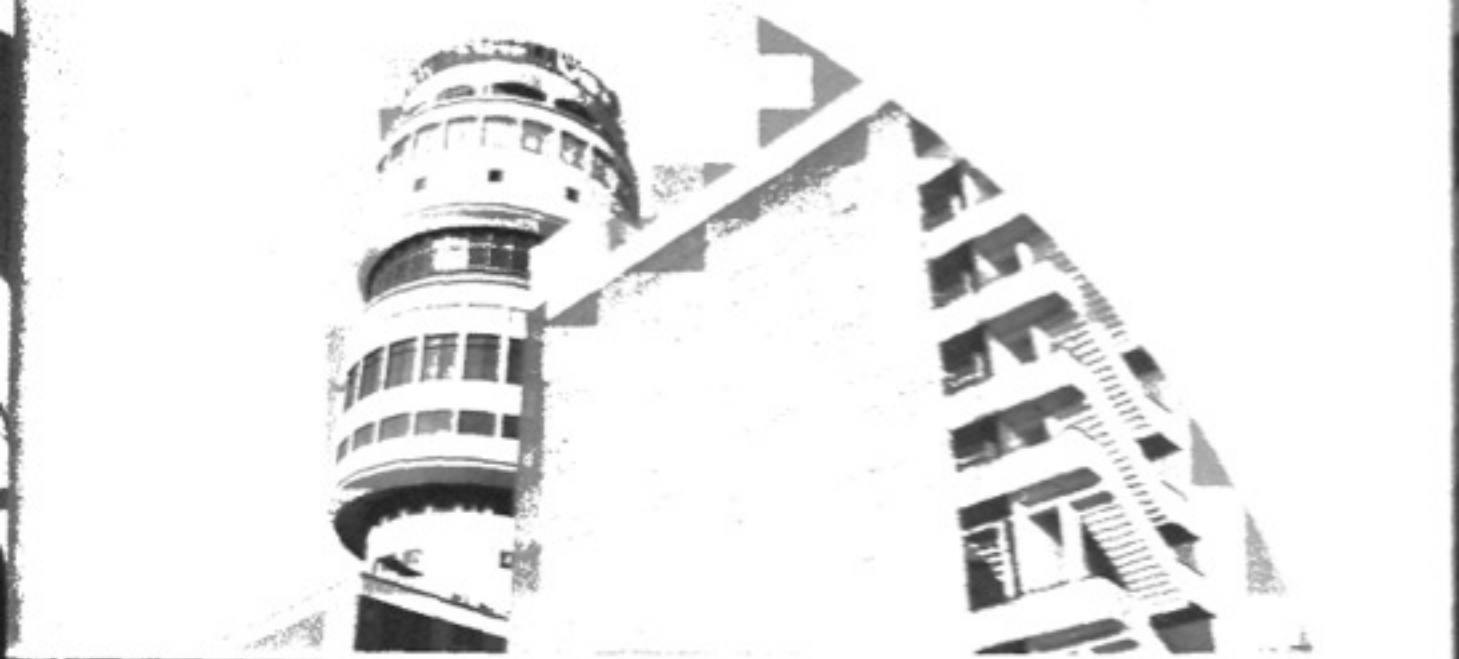
A heritage marching back to 1971, Om Metals has spelled out its history in golden words. We have taken India from dusk to a glorious dawn. A flight of immaculate success, we have given India a proficient launch pad for a brighter, richer and stronger tomorrow.

Om Metals have stretched itself to almost every part of India. In a span of 35 years, it has transformed itself into a multifaceted organization with an asset base of over 100 crores by end 2006. And with a turnover of Rs 887 million in the financial year ending 2006, the company is all geared up to achieve annual turnover of more than Rs.1000 million in the next year onwards.

We have undertaken diversified activities for engineering, infrastructure and real estate verticals. And in doing so, we have achieved a commendable more than 20 percent market share in HM solutions in a market primarily dominated by foreign players. We have undertaken various projects including a multiplex cinema project at Jaipur, commissioned in a record period of 6 months, and have successfully generated phenomenal revenue from Multiplex division over this financial period. Our Hotel Division, Real Estate and

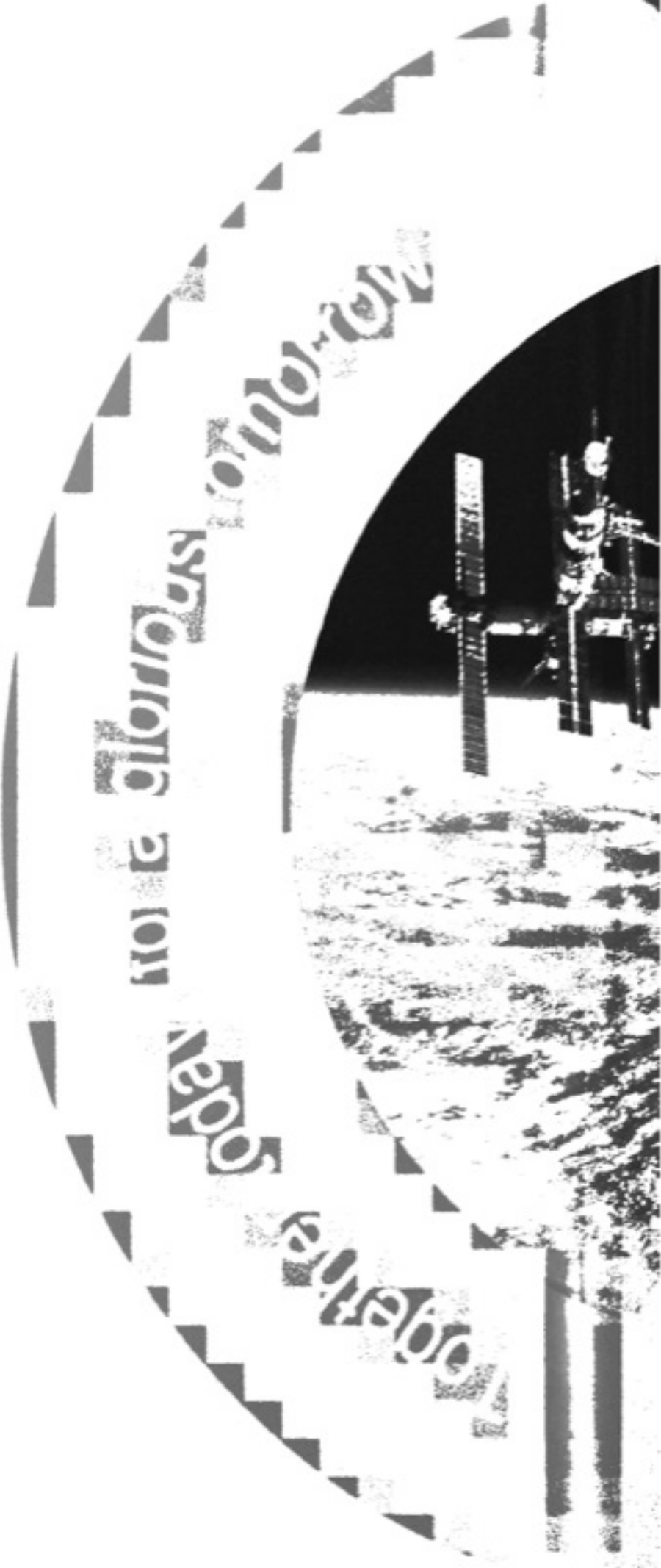
Automobile division have also paid rich dividends. Taking up construction projects such as the project of building a 4-Star Business Class hotel with a revolving restaurant at Jaipur, and complete family entertainment complex at Kota.

It's been a pride on our part to have bagged many a prestigious contracts from organizations like World Bank, NTPC, Ministry of External Affairs, NHPC, and NEEPCO. Our engineering division has been able to achieve a record profit by way of its successful execution of the high valued Gosikhurd project—a project worth 136 crore. We are presently working on projects in Gujrat, Assam, Jammu & Kashmir, Himachal Pradesh, Maharastra and Arunachal Pradesh. On the commission of one of the largest vertical gates in the world for Koldam Project of NTPC—we have opened doors for even bigger size projects in the near future. Om Metals has spread its wings over many exciting business areas, acquiring quite a few turnkey contracts in the process. Hydro-mechanical installations for irrigation & Hydro-electric power projects, real estate and infrastructural project development are few of the most prominent business areas.



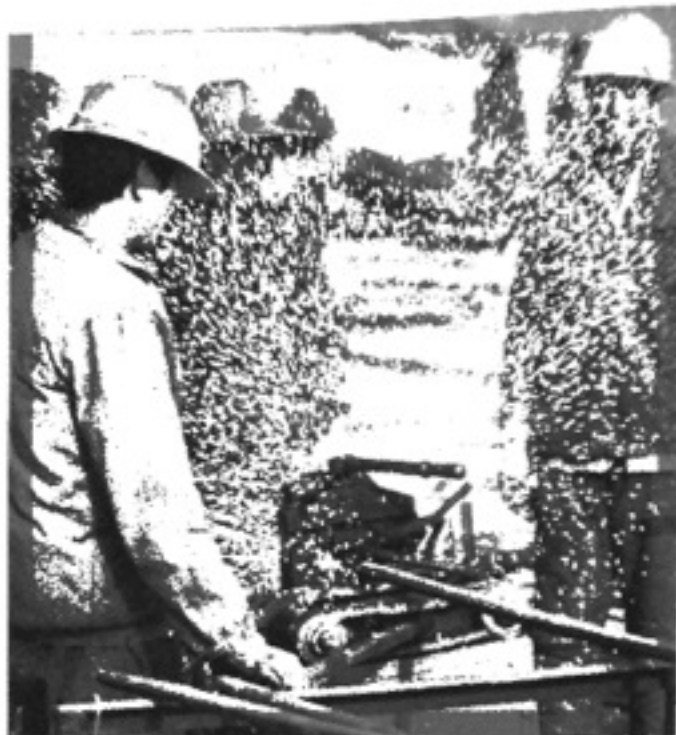
Miembros Achieved

Our scientists and institution in themselves have taken India to glorious heights and that too literally. A united effort by these great men to launch important satellites, which guided India to the roads of advancement. It has driven India ahead, in the fields of communication, television broadcasting and meteorological services, in the remotest part of India. A splendid achievement that has left a mark in the hearts of every Indian. A crowning glory to teamwork and self belief.





Om Metals, is yet another example of such determination and camaraderie. For we believe that our people are our strength, and the camaraderie they share, the pillar behind this strength. Add on to it the skills and experience—of our workforce—fuelled by youthful exuberance, and you have a company that triumphs on its todays. To revel in a glorious tomorrow.

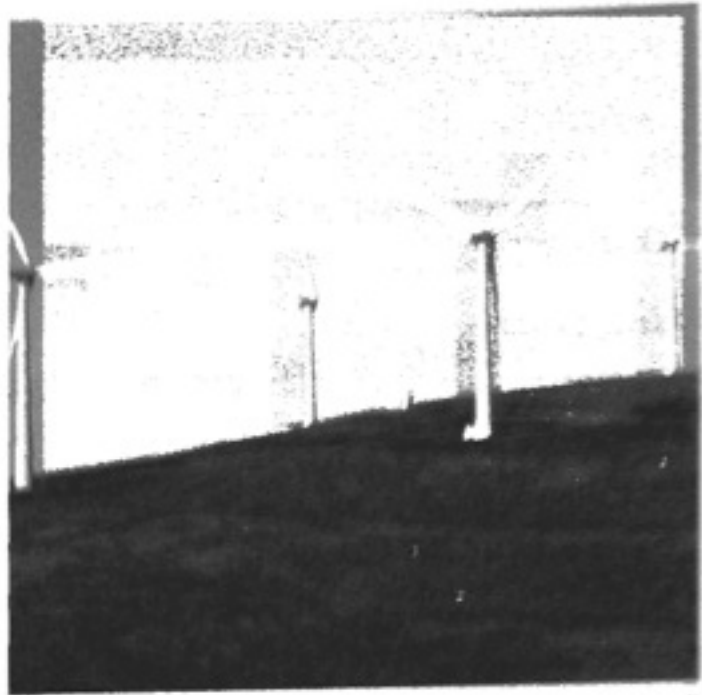
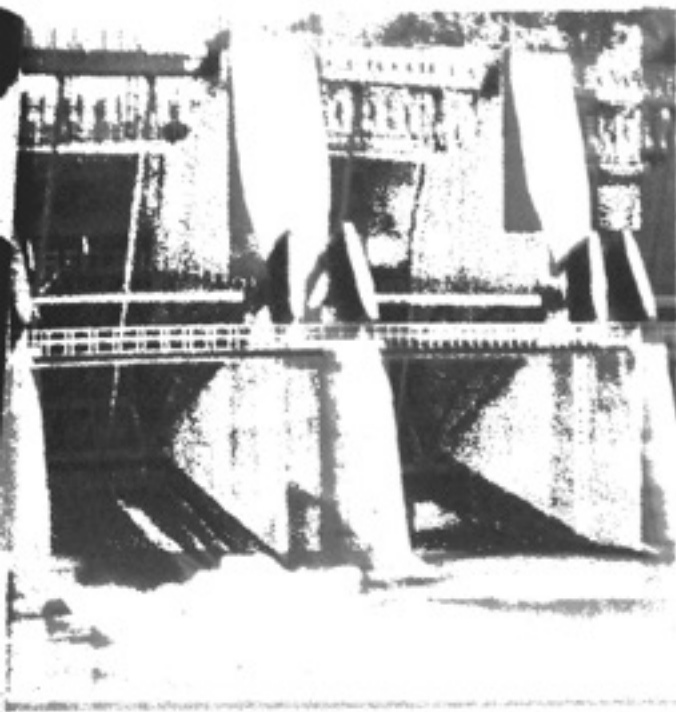


Om Metals has been an ideal example of teamwork, determination and camaraderie. Teams that have gelled together like a unit, to always produce remarkable results. With a combination of experience and youthful skills as the potential manpower, the company has stretched itself to various new areas of work. Attaining newer clients, making massive moves in infrastructural and real estate projects have only been possible with such a widely resourced workforce—one that sustains through all odds. Our experience and longstanding presence is evident from our 35 years of proven track record; a duration in which Om Metals has successfully executed 40 projects valued at Rs.7000 million across 18 states, which include the implementation of historic and landmark projects such as the Sardar Sarovar Dam project, Almatti Dam project, Kol Dam project, Kurichu project and so on. With robust engineering skills we have been able to complete various Hydro Power Irrigation projects of varied scale, size and complexity.

We are renowned for our Prudent Human Capital Management which has been responsible for the successful completion of many of our projects. We

have manpower strength of around 400 people, comprising a realm of 30 technocrats and 30 highly qualified professionals including architects and CAD/CAM specialists. Our strength also lies in steel fabrication and as a part of our project execution bandwidth, we have a distinction of offering our customers a broad range of hydro mechanical equipment required in any hydropower and irrigation project such as vertical gates, intake gates, spillway and stoplog gates. In almost all cases, the onsite team is required to operate under some of the toughest, most hostile terrains and in remote inaccessible areas and conditions. All of this and much more has been made possible by our effort to build a dedicated team, many of whom have been associated with the company since its inception.

We always ensure that our team acquires the right mix of skills and experience in executing a number of mega projects in adverse conditions. Such is the nature of the workforce that it facilitates the transfer and sharing of key learnings from one project to the other. This increases the flexibility to relocate our dedicated manpower to specific site locations with utmost ease and optimum speed.



At Om Metals it has been a tradition to think ahead of its times. Our ventures have been expanding and along with it our horizons—and keeping that in our mind we have carved an all new name for us—Om Metals Intraprojects Limited. With as many as 5 years of future projects lined up already, it is striving harder even more to better upon its own stunning record. The company has major plans of broadening its horizons by opening offices overseas. In fact, we have already executed projects in Bhutan and secured one in Vietnam.

Wind Power is another non-conventional power source which is in priority list of the Government's power sector initiative and Om Metals have risen to the opportunity to tap in this market as well. We have also set up a wind power project in Rajasthan. It's been a trend at Om Metals to venture into civil projects as well, not only facilitating the livelihood of people residing in the urban but also as the most backward of rural areas.

In our attempt to be an initiator to take on projects in the most backward sites in

India we have undertaken the 747 and Port development project at Pondichery in joint venture with Subhash Projects. It's our vision that enables an all round development of the site and people along with it. With Imports and Exports on a high, Port development projects are very important to the economy in the bigger picture.

In the world of increasing corporatisation, the company has a vision to integrate the business synergies and reap the benefit of consolidation. For which it has sorted to amalgamate with six other companies. A very thought after step, in an era of increasing competition. The company would henceforth become a lot more competitive in the long run, with increased financial stability and net worth, thus resulting in enhanced value to the esteemed shareholders. A company of the future, which has held itself high in terms of its innovative ideas and farsightedness can only march forward, reaping all the success as it comes along. And all this, to bring India in the reckoning, all around the globe.

It all began in Calcutta in 1951 when Mother Teresa and a congregation of nuns set up the Missionaries of Charity – an organization pledged to work for the cause of the poor and the needy. Today this very organization is present across every continent. Working for over billions all across, instilling in them a hope for today, and a promise for tomorrow.

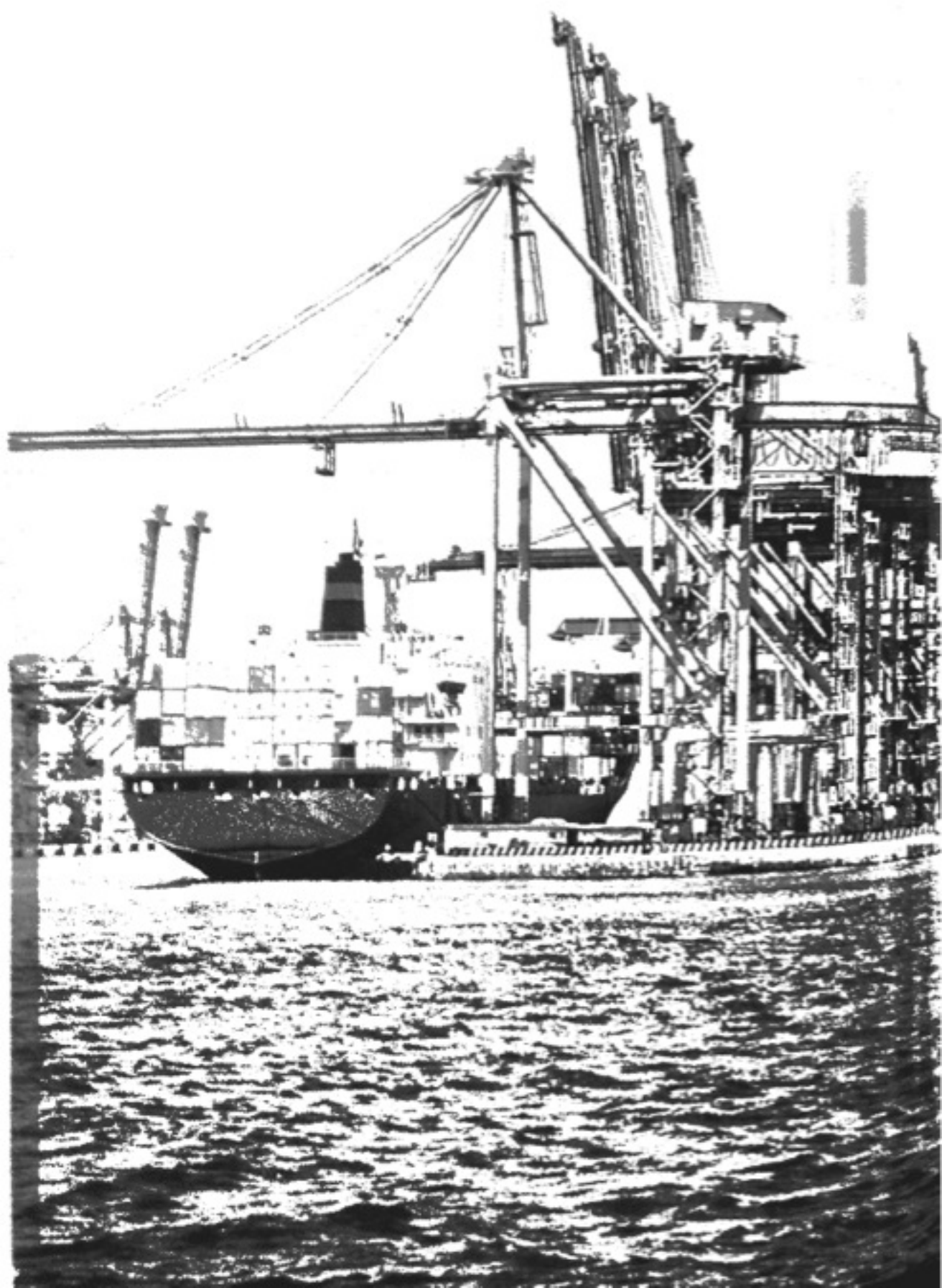
Spreading the light for a brighter tomorrow





Om Metals Infraprojects Limited is guided by a similar beacon—to work for the society as a whole. And this has seen us undertake several social causes over the years. The Om Kothari Foundation is one such initiative. A body that provides free education and vocational skills to the generations of tomorrow. Not to leave out, provides a source of additional income to over a thousand farmers. And this is all but a beginning, to a never ending horizon.

A ray of light, a glimmer of hope and a little bit of care is all they need for a better tomorrow. Efforts have been made to reduce problems faced by people due to poverty and bring them at par with an average Indian. There have always been many organizations which have come forward and provided help. Om Metals have always been up to it and extended their support in every way. With this vision in mind Dr. T.C. Kothari set up a trust for the noble cause and named it as "Om Kothari Foundation". Each year we donate generously towards this trust and our promoters also actively collect funds for the trust each year. The charitable trust provides free education to children and adults and also aids vocational skills to handicapped children. In a special case scenario the foundation provided extra source of income to 1000 farmers of Devli, a village in Rajasthan. Om Kothari Foundation thrives in any opportunity to support the unprivileged sections of the society, so that the future of every Indian is bright.





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OM METALS INFRAPROJECTS LTD.

BOARD OF DIRECTORS

Dr. T.C. Kothari
(Chairman)

Mr. C.P. Kothari
(Managing Director)

Mr. D.P. Kothari

Mr. P.C. Jain

Mr. Kamal Chandwar

Mr. Ghan Shyam Gupta

AUDITORS

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

M/s. Milind Vijayvargiya & Associates
Chartered Accountants
Kota

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

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

BANKERS

State Bank of Bikaner & Jaipur
Industrial Estate, Kota

State Bank of Patiala
Janpath, New Delhi

Bank of Baroda
Jhalawar Road, Kota

IDBI Bank
C-Scheme, Jaipur

REGISTRAR & SHARE TRANSFER AGENT
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

LISTING ON STOCK EXCHANGE
Equity Shares of the Company is listed in
The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal
Street Mumbai - 400 001



OM METALS INFRAPROJECTS LIMITED

(Formerly Om Metals Ltd)

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

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of Om Metals Infraprojects Limited will be held on Saturday, 30th September, 2006 at 11.00 A.M at Om Towers, Church Road, M I Road, Jaipur – 302 001 to transact the following business:-

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2006 and the Profit & loss Account for the year ended on 31st March 2006 together with the Reports of the Auditors and Directors thereon.
- To appoint a Director in place of Mr. Kamal K. Chandwar, who retires from office by rotation and being eligible, offers himself for re-election.
- To appoint a Director in place of Mr. P.C. Jain, who retires from office by rotation and being eligible, offers himself for re-election.
- To confirm Interim Dividend and declare final dividend for the Year 2005-06.
- To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 * **RESOLVED** That M/s M.C. Bhandari & Co., Chartered Accountants, retiring auditors of the Company, be and is hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of traveling and other out of pocket expenses.
RESOLVED further that M/s Milind Vijayvargiya & Associates, Chartered Accountants, M/s B. Khosla & Co., Chartered Accountants and M/s J.N Khandelwal & Co., Chartered Accountants be and are hereby re-appointed as Branch Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of traveling and other out of pocket expenses."
- To consider and, if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :
 ***RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, of the Companies Act, 1956, Shri Ghan Shyam Gupta, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation under Articles of Association of the Company."
- To consider and, if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :
 ***RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, of the Companies Act, 1956, Shri Sunil Kothari, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation under Articles of Association of the Company."
- To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution** :-
 ***RESOLVED** that subject to such consents and permission, if any as may be necessary, approval be and is hereby accorded in terms of sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and the Schedule (s) thereto, including any statutory amendment or re-enactment thereof, to the reappointment of Mr. Sunil Kothari as Whole time Director with authority to the Board to revise his designation at its discretion and other terms and conditions of the appointment including as to remuneration as are set out hereunder :-
Tenure : Five years with effect from 01.10.2006
Functions : Subject to the direction, control and superintendence of the Board of Directors, Mr. Sunil Kothari shall have the overall responsibility for looking after the day to day business and affairs of the Company.
Remuneration : Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Sunil Kothari shall comprise salary, perquisites as may be decided by the Board within an overall ceiling of 5% of the net profits of the company, computed in the manner laid down in Section 349 of the Companies Act, 1956.
Remuneration for a part of the year : Remuneration for a part of the year shall be computed on pro-rata basis.
Minimum Remuneration : In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Whole time Director shall be Rs. 1,50,000/- per month or such higher amount as may be permitted under the Companies Act, 1956 subject to such approval, if any, as may be required.
Sitting Fee : If permissible by law, Mr. Sunil Kothari shall be entitled to sitting fee in addition to the components of remuneration mentioned above, for attending meeting of the Board of Directors or Committees thereof.
Termination : The appointment of Mr. Sunil Kothari as Whole time Director may be terminated by either party giving to the other six calendar months notice in writing. In the event of termination of this appointment of Mr. Sunil Kothari by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.
RESOLVED FURTHER that in the event of any further authorization/revision in the levels of permissible managerial remuneration, the Board of Directors be and is hereby authorized to alter, vary and increase the remuneration of Mr. Sunil Kothari, notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent or reference to the general meeting."
- 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 Sec. 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 read



OM METALS INFRAPROJECTS LTD.

with the Memorandum and Articles of Association of the Company and the Listing Agreements and subject to necessary approvals of the Government of India, Securities and Exchange Board of India (SEBI), Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI) and all other concerned Statutory and other Authorities and to the extent necessary such other approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which shall include a duly constituted and authorized committee of the Board for this purpose), consent of the company be and is hereby accorded to the Board and the Board be and is hereby authorized to create, offer, issue and allot equity shares of the face value of Re.1/- each, of an aggregate number (which taken either in combination with the proposed offering of securities vide Resolution under Item No. 10 herein below or exclusively) not exceeding 3,00,00,000 equity shares of Re.1/- each out of the authorized share capital of the company to Qualified Institutional Buyers in the manner and on the terms and conditions as the Board may in its absolute discretion decide and the shares be issued at the price and in accordance with the Guidelines for Qualified Institutions Placement contained in Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Resolved Further that the relevant date on the basis of which price of the resultant shares as specified under clause 13A.32.2 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 be calculated shall be 31/08/2006.

Resolved Further that

- all the monies received out of the issue of shares to the Qualified Institutional Buyers (QIBs) shall be transferred to a separate bank account other than the bank account referred to in Sub-section (3) of Section 73 of the Companies Act, 1956
- Details of all monies utilised out of the issue referred to in sub item 1 above shall be disclosed under an appropriate separate head in the balance sheet of the company indicating the purpose for which such monies had been utilized; and
- Details of all unutilized monies out of the issue of shares, if any, referred to in sub-item 1 above shall be disclosed under an appropriate separate head in the balance sheet of the company indicating the form in which such unutilized monies have been invested.

Resolved Further that the Board be and is hereby authorized to take such action, give such directions, as may be necessary or desirable to give effect to this resolution and to do all such acts, matters, deeds and things, including but not limited to the allotment of shares against the valid applications received in the Qualified Institutional Placement (QIP), as are in the best interests of the company.

Resolved Further that for the purpose of giving effect to this resolution, the Board be and is hereby authorized, on behalf of the company, to decide and approve the terms and conditions of the issue of the above equity shares and shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may consider expedient and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary proper, desirable and to settle any question, difficulty or doubt that may arise in regard to the above offer, issue and allotment and utilization of the proceeds of the issue and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents, agreements and writings as may be necessary, desirable or expedient to give effect to the above resolution and to negotiate terms, appoint advisors, manager, Merchant Banker, intermediaries, legal experts, consultants and to pay any fees, commission, remuneration, incur expenses and take such further steps as required for the allotment and listing of the aforesaid equity shares and to make such modifications without being required to seek further consents or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

- To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution.
Resolved that pursuant to Section 81 and other applicable provisions if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Listing Agreements and subject to all necessary approval, consents, permissions and/or sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Financial Institutions and all other appropriate and/or concerned authorities and subject to such conditions and modifications as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction and agreed by the Board of Directors of the Company (herein referred to as "Board" which term shall include any duly constituted and authorized committee thereof which the board may constitute for this purpose) which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the company, the Board be and is hereby authorized to issue, offer and allot from time to time in one or more tranches, by way of public issue, rights issue, preferential allotment or otherwise in the course of the offerings in Indian and/or International Markets, equity shares and/or securities (including debentures or bonds) convertible into equity shares whether fully or partly and whether compulsorily or at the option of the company or the holders thereof and/or Global Depository Receipts (GDR's) / American Depository Receipts (ADR's) representing equity shares or convertible securities and/or security linked to equity shares and/or all or any of the aforesaid with or without detachable or non-detachable warrants as the company may be advised (hereinafter collectively referred to as the securities subscribed in Indian and/or foreign currencies by resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trust, and/or otherwise) / foreign institutional investor/mutual funds/pension funds/venture capital funds/banks and such other persons or entities, whether or not such investors are members of the company, to all or any of them jointly or severally for such an amount or amounts (inclusive of such premium) as may be decided by the Board so that the net increase in the equity share capital of the company consequent upon issue and allotment of the securities so issued and allotted and/or consequent upon exercise of all the rights attached to such securities by the holders thereof taken either in combination with the proposed placement to qualified institutional buyers as per Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and other applicable provisions and/or Guidelines in force or exclusively; as proposed under Item No. 9 herein above) shall not exceed 3,00,00,000 equity share of Re.1/- each out of the authorized share capital of the company at such time or times and with such rights, at such price or prices, at such interest or additional interest, at a discount or at the premium and in such form and manner and on such terms and conditions or such modifications thereto, including a discount or at the premium and in such form and manner and on such terms and conditions or such modifications thereto, including / prepayment, number of securities to be issued, rate of interest, redemption period, manner of redemption, amount of premium on redemption of the warrants, the ratio of exchange of shares and / or warrants or any other financial instruments, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the appropriate authority (ies), merchant banker(s) and/or lead manager(s) and/or underwriter(s) and/or advisor(s) and/or such person(s), but without requiring to seek further consent or approval of the members that the member shall be deemed to have given their approval thereto expressly by the authority of this resolution.
Resolved Further that the Board be and is hereby authorized to enter into and execute all such agreements and arrangements with any merchant banker(s), lead manager(s), Co-lead manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies).



Custodian(s) and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/ International Stock Exchanges.

Resolved Further that the Board and/or an agency or body authorized by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying securities issued by the company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International capital markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian /International practices and Regulations and under the norms and practices prevalent in the Indian / International markets.

Resolved Further that the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offerings, all such equity shares ranking pari passu with the existing equity shares of the company in all respects except provided otherwise under the terms of issue and in the offering document.

Resolved Further that subject to the existing law and regulations, such of these securities to be issued, as or not subscribed may be disposed off by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the company, including offering or placing them with resident or non-resident / foreign investor(s), (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise) / foreign institutional investors / mutual funds / pension funds / venture capital funds / banks and/or employees and business associates of the company or such other person(s) or entity(es) or otherwise, whether or not such investors or members of the company, as the Board may in its absolute discretion decide.

Resolved Further that for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized on behalf of the company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s) / offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/or otherwise to alter or modify the terms of issue, if any as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the company to the end and intent that the company shall be deemed to have given its approval thereto expressly to the authority of this resolution.

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

Resolved Further that the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted in virtue of resolutions Proposed under item no. 9 and 10 above on the stock exchanges where the shares of the company are listed as per the provisions of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations.

Resolved Further that for the purpose of giving effect to this resolution the Board be and is hereby authorized on behalf of the company to decide and approve the terms and conditions of the issue and shall be entitled to vary modify or alter any of the terms and conditions as it may consider expedient (subject to applicable guidelines) and do all acts and deeds, matters and things as may be required to be done in connection with this resolution and incidental thereto without being required to seek further consents or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

12. 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 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorized share capital of the Company be increased from Rs. 8,00,00,000 divided into 8,00,00,000 Equity shares of Rs. 1 each to Rs. 11,00,00,000 divided into 11,00,00,000 Equity Shares of Rs 1 each by creation of 3,00,00,000 Equity Shares of Rs. 1 each and that Clause (V) of the Memorandum of Association of the Company be substituted by the following :-

(V) The Authorized Share Capital of the Company is Rs. 11,00,00,000 (Rs. Eleven Crores only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs. 1/- (Rs. one only) each."

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

***RESOLVED** that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing article (4.) of the Articles of Association of the Company be substituted by the following :-

4. The Authorized Share Capital of the Company is Rs. 11,00,00,000/- (Rupees Eleven Crores) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs.1/- (Rupees One) each, with the power to increase, consolidate, decrease or divide in accordance with the regulations of the Company and the legislative provisions for the time being in force in that behalf and with power to divide the shares in the capital for the time being into Equity Share Capital and to attach there' respectively and preferential, qualified or special rights, privileges or conditions.

Date: 16.08.2006

Place: Jaipur

By order of the Board

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

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



OM METALS INFRAPROJECTS LTD.

NOTES FOR MEMBERS' ATTENTION:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item no. 6 to 13 of the Notice as set out above and relevant details in respect of item no. 2, 3, 6 and 7 pursuant to Clause 49 of the Listing Agreement, is annexed hereto.
- 3) Members/Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.
- 4) Shareholders are requested to bring their copy of Annual Report to the Meeting.
- 5) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio no. in Attendance Slip for attending the Meeting.
- 7) All documents referred to in the accompanying notice and Explanatory Statement shall be open for public inspection at the Registered Office of the Company on all working days between 11.00a.m to 1.00 p.m., prior to the date of Annual General Meeting.
- 8) Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
- 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 2005-06 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 26.09.2006 to 30.09.2006 (both days inclusive) and final dividend, if declared, will be paid to those members whose name would appear on the members register on 28.09.2006.

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

The Board of Directors of the Company in its meeting held on 15.12.2005 appointed Shri Ghan Shyam Gupta as Additional Director of the Company. Shri Ghan Shyam Gupta holds office as Additional Director up to the date of the ensuing Annual General Meeting. The Company has received a Notice, under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Ghan Shyam Gupta for the office of Director of the Company.

Keeping in view his vast experience and knowledge in Technical & Engineering related matters, the Directors recommend the resolution for members' approval.

Save and except Shri Ghan Shyam Gupta, none of the other Directors of the company is, in anyway, concerned or interested in the resolution.

ITEM NO. 7 AND 8.

The Board of Directors of the Company in its meeting held on 28.04.2006 appointed Shri Sunil Kothari as Additional Director of the Company. Shri Sunil Kothari holds office as Additional Director up to the date of the ensuing Annual General Meeting. The Company has received a Notice, under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Sunil Kothari for the office of Director of the Company.

Keeping in view his vast experience and knowledge in Financial Management and related matters, the Directors recommend the resolution for members' approval.

Shri Sunil Kothari (31) is holder of Diploma in Business Administration. He has experience of accounts, finance and administration. Hence Board of Directors at its meeting held on 10.07.2006 proposed to make him Whole time Director to look after all the business and affairs of the company with remuneration as stipulated in resolution no. 8 being proposed for approval of shareholders for a period of 5 years with effect from 01.10.2006.



The terms and conditions of the appointment of Shri Sunil Kothari as Whole time Director may be altered from time to time by the Board as it may, in its discretion, deem fit.

This may be treated as an abstract of the draft agreement between the Company and Shri Sunil Kothari, whole time Director pursuant to the provision of section 302 of the Act.

Shri T. C. Kothari, Shri D. P. Kothari, Shri C. P. Kothari and Shri Sunil Kothari being relatives to each other are considered to be interested in the resolution purposing the appointment of Shri Sunil Kothari. None of the other Directors of the Company is in anyway concerned/interested in the proposed resolution.

ITEM NO. 9.

The company is in the process of expansion and modernization and for this purpose it is considered expedient and desirable to raise additional funds through the best available source(s). The Board of Directors at their meeting held on 10 July 2006 have after due deliberations resolved that placement of equity shares of the company to Qualified Institutional Buyers through a placement document in accordance with the Guidelines for Qualified Institutions Placement contained in Chapter XIII A of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("Guidelines") would be the ideal mode of raising the additional funds. This placement is expected to enable your company to raise funds at a good premium.

As per the Guidelines, a special resolution under Section 81 (1A) of the Companies Act, 1956 is required to be passed in the manner and on the terms and conditions specified therein. Hence the special resolution is placed for your approval.

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

ITEM NO. 10. & 11.

In order to finance the expansion and modernization programmes involved in substantial capital expenditure and to meet the general corporate purposes, the company at the appropriate time proposes to raise capital in Indian and/or International Market in one or more tranches by issue of any one or more kinds of shares / securities as detailed in the resolution. The company may make the offering of securities either exclusively under the authority of this resolution or it may offer securities in combination with the placement of equity shares to Qualified Institutional Buyers as per the terms and conditions contained in Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000. This offering of securities is expected to enable your company to raise funds at a good premium.

Consent of the shareholders is proposed to be obtained to authorize the Board of Directors for issuing securities as stated in the resolution which may result in issue of further shares of the company in accordance with the terms and conditions of issue. The detailed terms of issue including the pricing of the issue will be finalized by the Board in consultation with its merchant banker(s), lead manager(s), Advisor(s) and connected persons keeping in view that the capital market conditions/practices and the guidelines/regulations, if any, issued by the Securities and Exchange Board of India (SEBI) and/or other authorities.

As per Section 81 of the Companies Act, 1956 the proposed offering of securities requires the company to pass a special resolution. Hence, the Board of Directors recommend the passing of a special resolution as setout in the notice.

It is also proposed to get the listing of new Equity Shares proposed to be issued with Stock Exchange, Mumbai where existing shares of the company are listed.

None of the Directors of the company, is in any, concerned or interested in the resolution as they will not be allotted any shares in virtue of this resolution.

ITEM NO. 12. & 13.

The present Authorized Share Capital of the company is Rs. 8,00,00,000/- (Rupees Eight Crores Only) divided into 8,00,00,000 Equity Shares of Rs. 1/- each.

The growth of the company's operations requires augmentation of resources. Accordingly, increase in Authorized Share capital of the company by creation of 3,00,00,000 Equity Shares of Rs. 1/- each is recommended.

As per Section 94, of the Companies Act, 1956, the power to increase the Authorized Share Capital has to be exercised by the company in general meeting. Accordingly, the resolution at Item No. 12 of the notice seeks approval of the members for increasing the Authorized Share Capital. Resolutions at Item Nos. 12 and 13 seek members' approval for making consequential changes in the memorandum and articles of association of the company.

Your directors recommend these resolutions for approval of members.

The Directors of the Company, in any manner, are not concerned or interested in the proposed resolutions.

Details of Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting to be held on 30 September 2006 pursuant to clause 49 of Listed agreement.



OM METALS INFRAPROJECTS LTD.

Name	Shri Kamal K. Chandwar	Shri P. C. Jain	Shri Ghan Shyam Gupta	Shri Sunil Kothari
Date of Birth	06.08.1953	10.10.1946	07.06.1945	09.01.1965
Appointed on	10.03.2004	15.07.2001	15.12.2005	28.04.2006
Qualifications	Graduate	B.E	B.E.	Diploma in Business Admn.
Expertise in specific functional areas	Finance & Liaising	Technical & Engineering	Technical & Engineering	Finance Management
Directorships held in other public companies	Nil	Nil	Nil	(1) Om Rajasthan Carbide Ltd. (2) Benzer Agencies Ltd.
Memberships/chairmans hips of committees across Public Companies	Om Metals Infraprojects Ltd.: Audit committee Shareholders's/ Investors's Grievance Committe.	Om Metals Infraprojects Ltd.: Audit committee Shareholders's/ Investors's Grievance Committe	Nil	Nil
Shareholding in the Company. (No. of Shares)	Nil	Nil		47,00,550

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

Date: 16.08.2006

Place: Jaipur

By order of the Board

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

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



DIRECTORS' REPORT

DEAR SHAREHOLDERS

The Directors have great pleasure in presenting the 31st annual report and audited annual accounts of the company for the year ended 31.03.2006 and auditors' report thereon.

PERFORMANCE REVIEW:

Particulars	(Rs. in Lacs)	
	For the year Ended on 31.03.2006	For the year Ended on 31.03.2005
a) Turnover & Other Income	8875.66	4718.04
b) Revenue Expenditure excluding Interest	5892.90	3818.93
c) Operating Profit (Before Dep. Interest & Tax)	2982.75	899.11
d) Depreciation & Interest	537.25	365.91
e) Net Profit before Tax	2445.49	533.20
f) Provision for Tax	210.00	39.50
g) (Provision for deferred tax)/deferred tax assets	22.90	138.28
h) Profit during the year	2236.40	325.42

NAME CHANGE

With the foray into infrastructure sector through Port and SEZ, the name of the Company has been changed from "Om Metals Ltd" to "Om Metals Infraprojects Ltd." to more emphasise indicating the nature of core business of company such as Hydro mechanical equipments used in dams, townships, IT Parks and new port and SEZ.

OPERATIONS

i) ENGINEERING DIVISION:

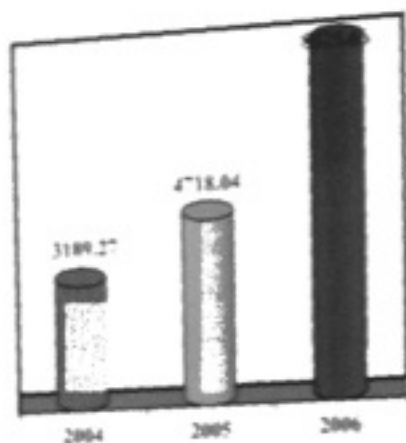
The Year has seen a record profit in engineering division for the basic reason of execution of high valued Gosikhurd project. A major portion of revenue is contributed by Gosikhurd project which is a Rs.136 crore project relatively higher in comparison to other projects which are between Rs.25 to Rs.50 crore. A higher margin, static fixed cost and overheads cost not rising proportionately are the primary reason but over and above the receipt of arbitration claim for North Koel Project, Bihar is another reason of relatively higher profits.

Government of India is geared up for maintaining the momentum of 7-8% growth in GDP and to cater the fast movement in the infrastructural development and the Govt's initiation of "power for all" by installing additional 10000 MW of generation capacity by 2012 is of paramount importance. Your company is fully geared up to take up upcoming challenge in the execution of turnkey contract for Hydro mechanical Equipments, fabrication of radial gates for irrigation/ hydro projects, manufacturing of hoists. Your company has secured contracts in global competitive biddings by outperforming MNC's. The company is presently working on projects in Gujarat (Baroda), Assam, Jammu & Kashmir, Himachal Pradesh, Maharashtra, and Arunachal Pradesh. By commissioning one of the largest vertical lift gates in the world for Koldam Project of NTPC, the company is at strong pavement of meeting pro qualification criteria for bigger size projects in India and overseas. The Company has robust order book position of Rs.600 crore and it has submitted fresh tenders for work contracts worth Rs.295 crore and in



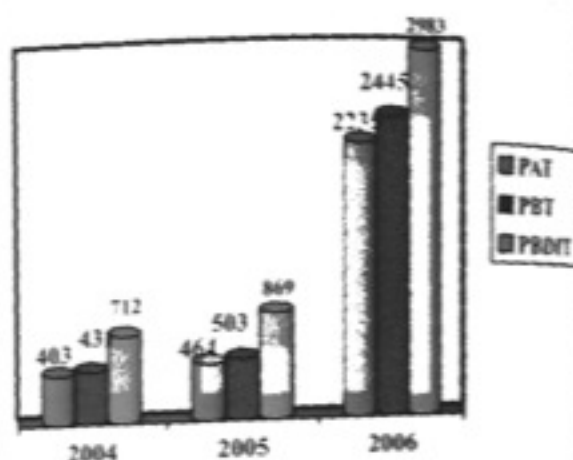
THREE YEARS FINANCIAL HIGHLIGHTS

TURNOVER GROWTH



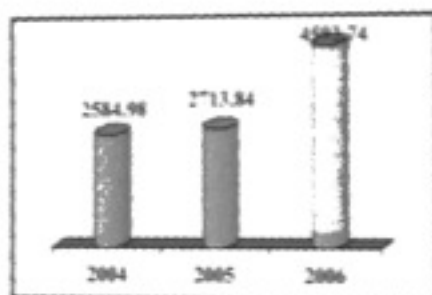
Rs. in lacs

PROFITABILITY GROWTH



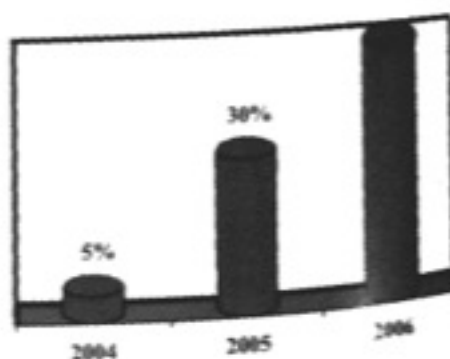
Rs. in lacs

NET WORTH GROWTH



Rs. in lacs

EQUITY DIVIDEND





majority of tenders the company has already passed the pre qualification stage. The company is fully confident to achieve Rs.100 crore plus turnover from this division alone in the years to come.

ii) HOTEL DIVISION:

The Hotel is encashing the growth in tourism especially in Rajasthan, which is a favourite destination for the overseas tourists. The most ethically designed conference hall and business center are very business friendly and catching up conglomerates for convocation and business conferences. The hotel business has seen more than 40% growth in comparison to last year and has recorded profits. In the post loan repayment period, the hotel will generate good revenue. The hotel business in Jaipur is a cruising business and in the years ahead owing to commonwealth games in New Delhi your Company expects to generate handsome revenue out of this business.

iii) MULTIPLEX DIVISION

The revenue generation from the multiplex was phenomenal this year again. The company has leased out the three screen theatres to Inox Leisure, a renowned multiplex chain in India, recently in the ongoing fiscal at a handsome fee every year. The discontinuance of entertainment tax exemption from next fiscal has persuaded the company to do so. The other income from restaurants, shops and parking shall continue to add in the revenue.

iv) REAL ESTATE

On the back of a booming economy, real estate market in India is on a high growth curve. The revolution in infrastructure developments in housing, shopping malls and residential townships has carved the way for the company coming up in big way in this sector. The first lot sale of space in Om Enclave, biggest residential township in Kota, Rajasthan is a reason to cherish and is a morale boosting factor to establish company's presence in and across the country.

The construction work of slum rehabilitation and residential apartments at Bandra Reclamation, Mumbai is soon to commence.

Your company has been awarded a land of 50 acre for development of IT park in Airoli Knowledge park, Navi Mumbai in Joint venture with B Raheja, a renowned real estate conglomerate of Mumbai.

In a big leap in infrastructure sector, your company on JV basis has been qualified for development of Port and SEZ in Pondicherry. The concession agreement for development of port on BOT basis has been signed by Govt of Pondicherry and for SEZ, the clearance of Central Govt is awaited.

Your company is under the way for finalising deals for big size residential, commercial and IT park projects in Jaipur and Hyderabad.

v) AUTOMOBILE

In its first year of complete operation, Toyota dealership -3S facility showroom at Jaipur has done commendable business and in the years to come the revenue from services and spares shall multiply with the number of units rolling on the street. The revenue generation in the year under progress is again expected to grow handsomely.

PROSPECTS

The core business of the company is all set to touch a 1000 million mark in the running fiscal. The company is fully geared to meet all the targets set by Ministry of Power to generate additional 50,000 MW electricity through Hydro Project Developments in the tenth -eleventh five year plan. Your Company also aspires to reap the benefits inherited in real estate projects under the pipeline as on date.

AMALGAMATION

In the world of increasing corporatisation, your Company, with a view to



integrate the business synergies and reap the benefit of consolidation, is undergoing amalgamation with six Companies. This shall channelise synergies and shall lead to optimum utilization of available resources. Amalgamation will result in improved asset base of your Company, being Transferee Company, by consolidating the immovable assets of six Transferor Companies; the same shall enable your Company to raise resources for future growth and expansion of the business. In increasing era of competition, your Company shall become more competitive in long run with more financial stability and increased networth, resulting in enhanced value to the stakeholders.

DIVIDEND

For the financial year 2005-06, an Interim Dividend @ 30 % was paid on February 14, 2006 aggregating Rs. 16,857,345/-. Corporate Tax on Dividend of Rs. 2,203,044/- has also been paid. Your Directors recommend final dividend Rs 0.20/- per equity share (20% on par value of Rs. 1/-) on 5,61,91,150 equity shares of Rs. 1/- each for the year 2005-06.

DIRECTORS

Mr. Kamal K. Chandwar and Mr. P.C. Jain retires from the Board of Directors by rotation and are eligible for re-appointment. Mr. Ghan Shyam Gupta and Mr. Sunil Kothari, who were appointed as Additional Directors and holds office up to ensuing Annual General Meeting, are also eligible for re-appointment.

AUDITORS

M/s. M. C. Bhandari & Co. Chartered Accountants, Kota Statutory Auditors of the company, M/s Milind Vijayvargiya & Associates, Chartered Accountants, M/s B. Khosla & Co., Chartered Accountants and M/s JN 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 Rule, 1975).

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) That in the preparation of account for the period ended March 31, 2006, the applicable Accounting Standards had been followed and that there are no material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the year end of the financial year and of the profit of the Company for that period;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the



Companies Act 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) That the accounts for the period ended March 31, 2006 are on a going concern basis.

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.

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, KAMENG, Arunachal Pradesh Hydropower project was secured in Joint Venture with JSC UKRHYDROMECH, Ukraine.

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 2006 of its subsidiary 'Om Metals Auto Pvt Ltd') are attached with annual accounts of the Company. These statements have been prepared in compliance with requirements of Accounting Standard 21 on 'Consolidated Financial Statements'.

FIXED DEPOSITS

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

ACKNOWLEDGMENT

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

For Om Metals Infraprojects Ltd.

Sd/-

T.C. Kothari

(Chairman)

Sd/-

C.P Kothari

(Managing Director)

Sd/-

D.P Kothari

(Director)

Place : Jaipur

Dated : 30.6.2006



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, 2006.

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.

- ü Cutting & Welding which is required on fabrication of Gates, Hoist etc.
- ü Replacement of electric hoists to hydraulic hoists.
- ü Improvement in product quality.
- ü Energy Conservation.
- ü Better utilization of Scrap.

(ii) Benefits derived:

- ü 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 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.

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

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

(iii) 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)	31.03.2006	31.03.2005
i. Earning by ways of :		
(a) Exports		Nil
(b) Service	Nil	Nil
ii. Outgo by way of	20.20	
(a) CIF value of imports		Nil
(b) Traveling & Others	Nil	Nil
(c) Capital Goods	Nil	Nil



MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

Overall performance of the company is satisfactory and present economic conditions and thrust of Government of India on infrastructure sector will provide the robust future growth and sustained profitability to the Company. With the award of new contracts and exemplary tourism growth, Company shall be able to register significant jump in turnover and profitability as well in years ahead.

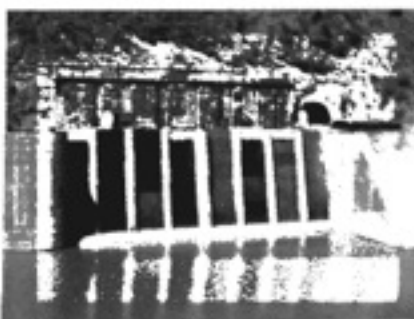
INDUSTRY OUTLOOK



ENGINEERING DIVISION:

One of the Government of India's top priorities is to boost economic growth by providing all its citizens with reliable access to electricity by 2012. To reach this goal, the government estimates that the country will need to install an additional 100,000 MW of generating capacity by 2012.

There is a broad consensus in the government to expand power generation by developing the country's hydropower potential, of which only 30 percent has been harnessed so far. Although the past two decades have seen an increase in the number and capacity of coal-based power plants, hydropower's share in the generation mix has declined. At present, hydropower constitutes only 25 percent of India's generating capacity.



GOVERNMENT'S STRATEGY

The government has set the target for India's optimum power system mix at 40 percent from hydropower and 60 percent from thermal/nuclear power. The present ratio - at 25:75 - falls far short of this optimum, causing severe power shortages particularly during peak periods and technical and economic problems in grid operations. The country, therefore, plans to increase hydropower's share in power generation to 28 percent by fiscal 2007, and to reach the target of 40 percent over the longer term.

In the past decade, the development of hydropower in India has substantially improved. The government has ensured that the methodology used by central power agencies to select sites has improved and has indeed

upon: greater public consultation, better monitoring of environmental and social aspects of projects, improvements in resettlement policy and practice, as well as in institutional capacity related to project identification, engineering and design.

WORLD BANK ASSISTANCE

The Government of India has requested World Bank support for a rapid increase in the country's hydropower capacity. It has also requested Bank assistance to help its power sector agencies build on their recent achievements with the aim of attaining international standards in hydropower design and construction.

The World Bank aims to assist the Government of India in meeting its targets for hydropower expansion in a financially, economically, and technically sound manner. It also aims to ensure that such projects meet the good environmental and social practices which have been developed by the industry in recent years.

HOTEL AND MULTIPLEX:

In FY05, the hotel industry was on its way to recovery and posted robust growth. According to World Travel and Tourism Council [WTTC], travel and tourism demand is expected to grow 8.8% for the years between 2005 to 2014. Acclaimed Publications like the "Conde Nast Traveller" and "Lonely Planet" have also rated India, as one of the world's most favored tourist destination. Increase in the seating capacity of airlines on mutual basis, modernization of airports and open sky policy would push tourist arrivals by many times in years to come. Jaipur being the most popular tourist destination in India forms a Golden Triangle of tourism. As per Department of Tourism statistics around 35-40% of the international tourists coming to India visit Golden Triangle. International Airport in Jaipur will boost the Tourist and Hotel industry in Jaipur in coming years.



OM METALS INFRAPROJECTS LTD.

Increasing per capita income and emergence of the mall culture has reversed the declining trend in out-of-home movie viewing by families. The number of multiplexes are expected to rise to 200-250 and screens are likely to increase to 1000 in the near future. The company sees this segment of its business as its future growth driver. Presently the segment contributes around 10% of the total sales. In view of the entertainment tax exemption ceasing from next F.Y., the company has entered into a Business agreement with INOX Leisure on hands-on revenue basis to run and operate the multiplex.

REALTY MARKET IN INDIA ON HIGH GROWTH CURVE



"In India's fast-growing economy, real estate has emerged as one of the most appealing investment areas for domestic as well as foreign investors. The real estate sector will continue to derive its growth from the booming IT sector, since an estimated 70 per cent of the new construction is for the IT sector," a report by PricewaterhouseCoopers has said.

"Once the Government puts into place land reforms and addresses the challenges facing the real estate sector, this sector has the potential to contribute immensely to the country's GDP."

Reports suggest that over the past six months, about \$500 million has already flowed into the real estate sector," it said, adding that the flow may rise to a massive \$7-8 billion over the next 18-30 months. Income growth and structural changes will fuel growth. Foreign investment will play a bigger role in retailing.

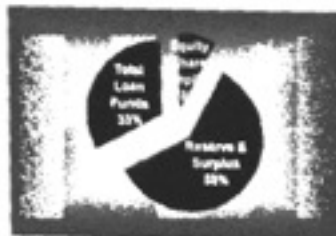
FINANCIAL HIGHLIGHTS

Balance Sheet

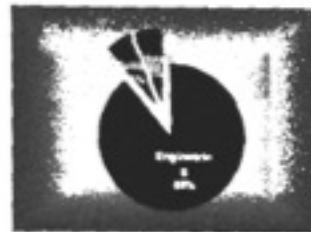
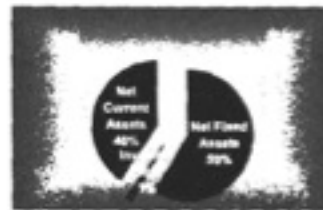
Liabilities		Assets	
	Amount		Rs. in lacs
Equity Share Capital	561.91	Net Fixed Assets	4165.69
Reserve & Surplus (Including deferred liabilities)	4245.29	Investments	101.88
Loan Funds	2343.59	Net Current Assets	2883.22
Total liabilities	7150.79	Total Assets	7150.79



SOURCES OF FUNDS



APPLICATION OF FUNDS



SEGMENTAL REVENUE

OPPORTUNITIES:

Government of India's thrust for development of 50,000 MW of hydropower by 2017 would address the much needed stability for the power regime and is likely to restore hydrothermal mix to 40:60 as recommended by the Ministry of Power for the power system of this size, while moderating the rising tariff for the consumer all across which in turn, is bound to have a smoothening impact on inflationary trends of the economy. Other projects in the irrigation, drinking water and river linking segment are also coming up and these factors are going to bring numerous projects across the country thereby providing enough growth opportunities for the industry and the Company in the field of hydro mechanical packages.

The Hotel industry has endured the repercussions of numerous of global events, in the last few years. In FY04, tourism sector improved in India with the Government aggressively promoting brand "Incredible India" and improvement in relation with Pakistan also helped the industry. According to World Travel and Tourism Council [WTTC], India's travel and tourism demand is expected to grow at an annual rate of 8.8% to US\$ 90.4bn in the next ten years.

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

The retail sector in India is undergoing substantial growth and development, driven by the impact of rising incomes, increasing urbanisation, low interest rates, greater brand competition and a youth-driven culture. Retail sales grew by 10.5% in rupee terms in 2005, equivalent to a volume rise of 6%. Retailing is undergoing a structural shift in India, as supply slowly moves from small, family-run shops to larger, organised retail outlets. The rising number of attractive stores and foreign brands, coupled with readily available credit, will support steady real growth in retail sales of 7.2% a year between 2006 and 2010.

The opening of the retail sector to foreign direct investment (FDI)—a policy change that would alter radically the face of the Indian economy—is happening slowly. Since February 2005 the government has taken several liberalising steps, but it continues to disallow FDI by retailers of multiple brands, keeping out the big hypermarket groups and discounters. This is a carefully crafted decision designed to cause minimum political damage domestically, while showing foreign investors that liberalisation remains on track. Foreign firms will continue to lobby for liberalisation and have cited the restriction on FDI as a factor limiting future growth. Their options should multiply as food imports are liberalised and import duties come down. The government will also need to reform real-estate laws and restructure tax regimes further if it is to attract international retailers.

COMPANY OUTLOOK

In view of the projects being allotted via international competitive bidding, the company is taking part in the bidding of projects of neighboring countries./ with the expansion of existing works facilities, extensive execution of works at project sites, control over costs, energy conservation measures, sound financial position, and debottlenecking of other hurdles, management is optimistic about the future outlook of the company in the medium to long term perspectives.

Your Company also aspires to reap the benefits inherited in real estate projects under the pipeline as on date.

RISKS AND CONCERNS



OM METALS INFRAPROJECTS LTD.

The management for the Company considers following as business risks

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

While hydropower holds an important role in the energy and development strategies of India, such natural resource projects are inherently challenging. Environmental and social impacts - potentially both positive and negative - are inevitable. The responsible response is to develop a clear understanding of such impacts, drawing from analytical as well as local knowledge, and minimize the negative impacts through appropriate design. Any residual negative impacts should then be appropriately mitigated and compensated; with ongoing monitoring and adaptive management where necessary.

The real estate market in India is on a high growth curve, on the back of a booming economy, favourable demographics and liberalised FDI regime, although issues such as lack of land reforms, and absence of substantial tax incentive for real estate development still need to be addressed.

The concern for balloning effect, absence of land reforms, land mafia are the main cause of concern.

The urban land ceiling act and Rent control act have distorted property markets in cities leading to exceptionally high property prices. Moreover, a high percentage of land holdings do not have clear titles.

Generally non corporatised ownership of land restricts organised dealings and legal processes. Property disputes are time consuming.

Again the real estate market is directly related to Sensex of capital market. A scam or mayhem in capital market disturbs the overall sentiments and the real estate market take a back seat.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Internal audit work is conducted by professional firms of chartered Accountants as per the requirement of Companies Act, 1956. These firms have consistently expressed their satisfaction about the adequacy of internal control systems and procedures followed by the Company for conducting its business efficiently and procedures followed by the Company give a reasonable assurance for the security of its assets and protect against losses from unauthorized use or disposition and that the transactions are probably authorized, recorded and reported.

HUMAN RESOURCES

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

1. Comprehensive and user-friendly performance appraisal system has been evolved to create result oriented culture.
2. Workers involvement in quality control circles is promoted which results in problem solving and improvement in operational areas.
3. Knowledge sharing is encouraged through circulation of various knowledge building articles and strengthening internal communication.
4. Suggestion scheme involving all employees at all the project sites is receiving good response and improving quality of work.
5. Job rotation and freedom to employees to experiment in their work area is encouraged.

SAFETY, ENVIRONMENT AND POLLUTION CONTROL

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

CAUTIONARY STATEMENT

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



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 shareholders' wealth.

2. BOARD OF DIRECTORS

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

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

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, 17 Board Meetings were held viz; on 22.04.2005, 30.04.2005, 02.07.2005, 08.07.2005, 12.07.2005, 30.07.2005, 29.08.2005, 23.09.2005, 18.10.2005, 23.10.2005, 29.10.2005, 01.12.2005, 15.12.2005, 14.01.2006, 30.01.2006, 14.02.2006 and 25.03.2006.

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

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

Name of Director	Category	Designation	Attendance Particulars		Directorship of Other Indian Companies		Committees' Membership*	
			Board Meetings	Last AGM	Public	Private	Member	Chairman
Dr. T.C. Kothari	Promoter & Non-Executive Director	Chairman	15	Yes	1	-	1	1
Mr. C.P. Kothari	Promoter & Executive Director	Managing Director	14	Yes	-	-	-	-
Mr. D.P. Kothari	Promoter & Executive Director	Whole Time Director	14	Yes	-	-	-	-
Mr. P.C. Jain	Independent & Non-Executive Director	Director	11	Yes	-	1	2	-
Mr. Kamal Chandwar	Independent & Non-Executive Director	Director	11	No	-	1	1	1
Mr. Ghan Shyam Gupta**	Independent & Non-Executive Director	Director	4	N.A.	-	1	-	-



OM METALS INFRAPROJECTS LTD.

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

** Mr. Ghan Shyam Gupta appointed as additional director on 15.12.2005.

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:

- Overseeing the Company's financial reporting process and ensuring correct disclosure of financial information.
- Reviewing the Company's financial and risk management policies.
- Reviewing with management the quarterly, half yearly and annual financial statements before submission to the Board focusing primarily on (i) any changes in accounting policies and practices; (ii) qualifications in draft audit report; (iii) significant adjustments arising out of audit; (iv) compliance with accounting standards; (v) compliance with stock Exchange and legal requirements concerning financial statements and (vi) any related party transactions
- Reviewing adequacy of internal audit functions and internal audit reports
- 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 31st March 2006 are as under:

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

During the Financial year 2005-06, 5 Audit Committee Meetings were held on 26th April 2005, 1st July 2005, 2nd August 2005, 17th October 2005 and 11th January 2006.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board of Company has constituted a Shareholders' grievance Committee, comprising Dr. T. C Kothari, 3rd 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, 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	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 2005-06.

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 31st March 2006 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.16,50,000	951721	N.A	N.A	Rs. 26,01,721
Mr. D.P Kothari	Rs. 14,70,000	217534	N.A	N.A	Rs.16,87,534
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
2002-03	30.09.2003	11.00 a.m	B-117-118, Industrial Estate, Kota, Rajasthan
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
EGM	Date	Time	Location
2006-07	26.05.2006	11:00 a.m	Om Tower, M.I. Road, Jaipur

Following two resolutions were passed by 'postal ballot' in the financial year 2005-06:

1. Special resolution passed on 06.08.2005 for splitting of shares in proportion of 1:10 and Alteration in Memorandum and Articles of Association.
2. Special resolution passed on 25.03.2006 for change of name of Company from 'Om Metals Ltd.' to 'Om Metals Infraprojects Ltd.'

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 2005-06, 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

30th September 2006 at 11.00 a.m.
at Om Towers, Church Road, M I
Road, Jaipur, Rajasthan
28.09.2006 to 30.09.2006 (both days
inclusive)

Book Closure Period

Last week of July, 2006
Last week of October, 2006
Last week of January, 2007
Last week of April, 2007
The Stock Exchange, Mumbai
BSE-531092
INE239D01028

Financial Calendar(Tentative and subject to change)

- * Financial Reporting for Quarter ending 30th June 2006
- * Financial Reporting for Half year ending 30th September 2006
- * Financial Reporting for Quarter ending 31st December 2006
- * Financial Reporting for Quarter ending 31st March 2007

Listing on Stock Exchanges*

Stock Code
ISIN

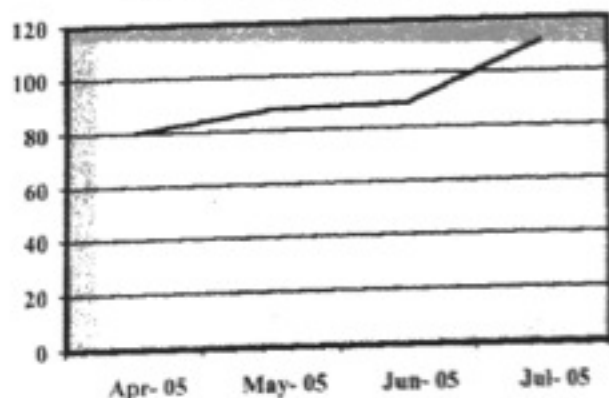


**STOCK MARKET PRICE DATA
MUMBAI STOCK EXCHANGE**

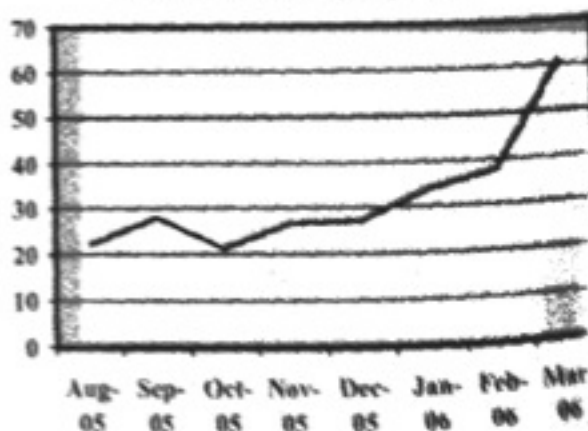
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume of Shares	Volume (Rs.)
Apr-2005	91.00	67.00	80.00	38573	3,064,663.00
May-2005	98.00	71.00	87.80	38191	3,275,355.00
June-2005	96.00	72.00	88.80	58581	5,038,821.00
July-2005	138.00	80.30	111.25	73154	8,488,567.00
Aug-2005	179.90	16.50	22.05	505152	18,320,533.00
Sep - 2005	44.90	23.00	28.05	3656672	132,718,206.00
Oct- 2005	29.30	18.25	21.45	615825	14,564,292.00
Nov- 2005	33.50	20.05	27.00	670551	17,895,277.00
Dec- 2005	30.00	24.50	27.20	567680	15,512,311.00
Jan-2006	41.15	26.45	34.15	2299785	78,820,453.00
Feb- 2006	41.65	32.75	37.70	1500331	57,887,834.00
Mar-2006	66.20	35.00	61.20	4828181	252,111,993.00

Notes: Paid up value of equity share were split from Rs.- 10 each to Rs 1/-w.e.f. 27.08.2005

Price movement before splitting of share



Price movement After splitting of share





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_fspi@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 dematerialisation are processed and completed within prescribed period from date of receipt, subject to documents are in order. Bad deliveries are immediately returned to Depository Participants under advice to the Shareholders.

Distribution of Shareholding (as on 31st March 2006)

Category	No. of Shareholders	No. of Shares held	% of Total
Promoters	25	44324890	78.88
Mutual Funds and UTI	2	468969	0.83
FIs	2	457760	0.81
Corporate Bodies	327	7135854	12.70
Indian Public	2118	3610053	6.42
NRI/OCBs	18	193624	0.34
Total	2492	56,191,150	100.00

Dematerialisation of Shares and liquidity

As on 31st March 2006, 5,13,28,195 Equity Shares i.e. 91.35% 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, Lurgi, Koldam in Himachal Pradesh, Karbilangpi in Assam, 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_fspi@rediffmail.com



OM METALS INFRAPROJECTS LTD.

Auditors' 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 2006, 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 2006, no investor grievances are pending against the Company as on 31st March 2006 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: 30.6.2006

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 (FORMERLY KNOWN AS OM METALS LIMITED)

1. We have audited the attached balance sheet of M/s. OM METALS INFRA PROJECTS LIMITED, (Formerly known as Om Metals Limited) as at 31.03.2006, the profit and loss account for the year ended on that date and also 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 statements 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order , 2003 issued by the Central Government of India in terms of 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 in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 Auditors report has been forwarded to us and 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 standards 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 31.03.2006 and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31.03.2006 from being appointed as a director in terms of clause (g) of Sub- section (1) of section 274 of the Companies Act, 1956.
 - (f) To bring accounting policy regarding valuation of finished goods of Engg. division, provision of AS-2, the company has changed the method of valuation of the above referred stocks from net selling/contract price to cost or market price which ever is lower. this has effect on profit and stocks to the extent referred in note no. -12 of schedule no. -XVIII.



OM METALS INFRAPROJECTS LTD.

- g) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required subject to non disclosure of quantitative details in hotel division 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 31.03.2006 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 for the year ended on that date.

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

Place: 38 Shopping Centre, Kota (Raj.)
Dated: 30-6-2006



ANNEXURE

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT TO THE MEMBERS OF M/S OM METALS INFRAPROJECTS LIMITED, KOTA (FORMELY KNOWN AS OM METALS LIMITED) ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2006

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 Engg., 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 of its fixed assets.
 - b) The management has carried out a physical verification of most of its fixed assets during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
 - © The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- 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 is maintaining proper records of inventories. 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. According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. In view of above paragraphs 4(iii) (a),(b),(c),(d),(e),(f) and (g) of the order are not applicable.
 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 give to us, we have not observed any continuing failure to correct major weaknesses in such internal control system.
 5. 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



OM METALS INFRAPROJECTS LTD.

- facie reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
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 records of the company, examined by us, the company has been generally regular except for few delays depositing undisputed statutory dues including income tax, sales Tax, PF, ESI, Excise Duty, Cess, Customs Duty, wealth Tax, service tax, investor education protection fund and other material statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31.03.2006 for a period of more than six months from the date of becoming payable except a sum of Rs. 7.82 lacs in respect of investor education and protection fund.
 - b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, customs duty and cess matters which have not been deposited.

According to the information and explanations given to us and the records of the company examined by us, the details of disputed dues not paid on account of sales tax, excise duty and service tax are as follows:-

Nature of the Statute	Nature of the Dues	Forum where pending	Net demand amount after deposit of tax (Rs. in Lacs.)	Period to which the amount relates
Sales Tax Laws	Sales Tax	Commissioner (Appeals)/Tribunal	116.14*	1984-85, 1985-86 1990-91 to 1994-95, 02-03, 03-04, 2004-2005
		High court	7.19	1986-87
Central Excise	Excise Duty	Commissioner (Appeal)	97.42	1987 to 1990, 1997-98, 2001-02 to 04-05
Income Tax	Income Tax	CIT Appeal/ITAT	84.62*	1991-92, 95-96, 96-97, 2001-02 to 2003-2004

- Against it, the company paid Rs. 109.08 lacs.

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.

10. The Company does not have accumulated losses at the end of the financial year March 31, 2006. Further, the company has not incurred any cash losses during the financial year ended March 31, 2006 and in the immediately preceding financial year ended March 31, 2005.



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. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments, Paragraph 4 (xiv) of the order is not applicable to the company.
15. The company has given bank guarantees for advance taken / security deposit for tendering by other (Joint venture) from project authorities . According to the information & explanations given to us, we are of the opinion that the terms & conditions there of 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 report that funds raised on short term basis have prima facia not been used during the year for long term investment.
18. As the company has not made any preferential allotment of shares during the year, paragraph 4 (xviii) of the order is not applicable.
19. In our opinion and according to the information and explanations given to us, the company has not issued any debentures, paragraph 4 (x ix) of the order is not applicable.
20. Since the company has not raised any money by way of Public issue during the year , Paragraph 4 (xx) of the order is not applicable.
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, 2006

For M.C. BHANDARI & CO.
Chartered Accountants

Sd/-
(S.K. MAHIPAL)
PARTNER
M. NO.70366

Place : Kota

Dated : 30-6-2006



OM METALS INFRAPROJECTS LTD.

OM METALS INFRAPROJECTS LIMITED

(FORMERLY KNOWN AS OM METALS LIMITED)

BALANCE SHEET AS AT 31st March, 2006

PARTICULARS	SCHEDULE	FIGURES AS AT 31-03-2006	FIGURES AS AT 31-03-2005
SOURCES OF FUNDS:			
SHARE HOLDER'S FUNDS:			
Share Capital	I	56191150.00	56191150.00
Reserve & surplus	II	403182499.53	215192865.83
		459373649.53	271384015.83
LOAN FUNDS:			
Secured Loans	III	231082644.40	197442031.29
Unsecured Loans	IV	3276558.00	996560.00
		234359202.40	198438591.29
Deferred Tax Liabilities (Net)	V	21346770.00	23637487.00
Total Sources of Funds		715079621.93	493460094.12
APPLICATION OF FUNDS:			
FIXED ASSETS:			
Gross Block	VI	499734518.37	418663622.92
Less : Depreciation		121523598.59	98461160.72
		378210919.78	320202462.20
Add : capital work in progress (including advance against capital expenditure Rs. 226.90 Lacs) (In previous year Rs. 186.90 Lacs)		38358723.00	62196478.15
		416569642.78	382398940.35
Investments	VII	10187825.03	7929050.00
Current Assets, Loans &	VIII		
ADVANCES			
Inventories		166605315.54	117099558.83
Sundry debtors		102158525.98	112401345.12
Cash & bank balance		530086071.20	303601001.98
Loans & advances		100244027.37	85982387.27
		899093940.09	619084293.20
Less : Current liabilities & provision	IX		
Net Current Assets		610771785.97	515952189.43
Miscellaneous Exp (To the extent not written off or adjusted)	X	288322154.12	103132103.77
		0.00	0.00
Total application of funds		715079621.93	493460094.12
NOTES TO ACCOUNTS	XVII		
As per our Report of even date annexed			

FOR M.C.BHANDARI & CO.
Chartered Accountants
Sd/-

S.K. MAHIPAL
Partner
M.No. 70366

Place : Kota
Dated : 30-06-2006

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-
T.C.KOTHARI
(Chairman)
Sd/-
C.P.KOTHARI
(M. Director)
Sd/-
D.P.KOTHARI
(Director)



OM METALS INFRAPROJECTS LIMITED

(FORMERLY KNOWN AS OM METALS LIMITED)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st March, 2006

PARTICULARS	SCHEDULE	2005-06 (RS.)	2004-05 (RS.)
INCOME :			
Sale of products, erection & escalation receipt & sale of flats of Engg. Division		648471397.54	379839991.73
Less : Excise duty		5367038.00	5667617.00
		643104359.54	374172374.73
Guest accomo., rest./canteen, food & beverage receipt		48874082.82	33987363.53
Receipt from film distribution and exhibition		36985426.00	44046539.80
Other Income	XI	99231680.28	17288762.07
Increase (decrease) in stock of finished goods & goods in process.	XII	59370256.32	2299310.79
Total		887568004.96	471804350.72
EXPENDITURE :			
Material consumed ,prov & beverage/ Trading	XIII	361321088.17	219793413.13
Purchases			
Payments to & prov. for employees	XIV	30718981.05	27569489.20
Mfg. operating, upkeep house exp. & film dist.	XV	143260706.19	100005874.98
Administrative & selling expenses	XVI	53989713.32	37522650.59
Financial expenses	XVII	23876690.52	20792748.56
		613167179.25	405684178.46
Profit before taxation & depreciation		274398825.71	66120174.26
Less : Depreciation		30306894.01	16296369.72
Less : Dep. tr. to revaluation reserve		457720.40	499008.00
		29849173.61	15799361.72
Profit after depreciation		244549652.10	50320812.54
Less : Provision for income tax		21000000.00	3950000.00
Less : Fringe benefit tax		2200000.00	0.00
Add : Deferred tax liabilities \ assets		2290717.00	13828722.00
Profit after tax		223640369.10	32542090.54
Balance b/f from last year		145709133.81	137984900.27
Balance available for appropriation.		369349502.91	170526990.81
APPROPRIATIONS			
Dividend on equity Shares			
- Interim		16857345.00	5619115.00
- Final		11238230.00	11238230.00
Corporate dividend Tax		3940412.00	2310512.00
Transfer to general reserve		22500000.00	5650000.00
Balance carried to balance sheet		314813515.91	145709133.81
		369349502.91	170526990.81
		3.98	0.58

Basic and Diluted Earning per Share * Rs.

* Face value per share Rs. 1/- each (In previous year

face value per share Rs. 10/- each)

Ref. Note No.(7) in schedule XVIII

NOTES TO ACCOUNTS

Signed in terms of our report of even date annexed

FOR M.C.BHANDARI & CO.

Chartered Accountants

Sd/-

S.K. MAHIPAL

Partner

M.No. 70366

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-

T.C.KOTHARI

(Chairman)

Sd/-

C.P.KOTHARI

(M. Director)

Sd/-

D.P.KOTHARI

(Director)

Place : Kota

Dated : 30-06-2006



OM METALS INFRAPROJECTS LTD.

OM METALS INFRAPROJECTS LIMITED

(Formerly known as Om Metals Limited)

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
As at 31 st March,2006

SCHEDULE - I

PARTICULARS	FIGURES AS AT	FIGURES AS AT
	31-03-2006	31-03-2005
SHARE CAPITAL :		
AUTHORISED		
80000000 Equity Share Of Rs.1/- each (8000000 Equity share of Rs. 10/- each in previous year)	80000000.00	80000000.00
ISSUED,SUBSCRIBED AND PAID UP		
56191150 Equity Share Of Rs.1/- each (5619115 Equity share of Rs. 10/- each in previous year)	56191150.00	56191150.00
TOTAL	56191150.00	56191150.00

Note :- (1) Out of above issued,subscribed and paidup capital includes 1956,800 nos. and 2298,600 nos.of fully paid Equity Share of Rs.10/- each were allotted as bonus share in the year 1992 - 93 and 1994 - 95 respectively by capitalisation of reserves and Profit & Loss Account)

(2) 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.



OM METALS INFRAPROJECTS LIMITED

(Formerly known as Om Metals Limited)

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT 31st March,2006

RESERVES AND SURPLUS

SCHEDULE - II

Particulars	As at 31-03-2006	As at 31-03-2006	As at 31-03-2005	As at 31-03-2005
A. REVALUATION RESERVE				
As per last balance sheet	8673932.19		9172940.19	
Less: - Transferred to P & L A/c	457720.40		499008.00	
Less :- Deduction on sale/discarding of revalued assets	3157028.00	5059183.79	0.00	8673932.19
B. CAPITAL RESERVE				
As per last Balance sheet	7395199.83		2470584.83	
Add:- Transferred from capital subsidy	0.00	7395199.83	4924615.00	7395199.83
C. CAPITAL SUBSIDY				
As per last balance sheet	0.00		4924615.00	
Less:- Transferred to capital reserve	0.00	0.00	4924615.00	0.00
D. SHARE PREMIUM				
As per last balance sheet	44764600.00		44753992.00	
Add:- Received during the year	0.00	44764600.00	10608.00	44764600.00
E. GENERAL RESERVE				
As per last balance sheet	8650000.00		3000000.00	
Add:- Transferred from P & L A/c	22500000.00	31150000.00	5650000.00	8650000.00
F. SURPLUS				
		314813515.91		145709133.81
(Profit as per profit and loss account annexed)				
Total		403182499.53		215192865.83



OM METALS INFRAPROJECTS LTD.

OM METALS INFRAPROJECTS LIMITED

(Formerly known as Om Metals Limited)

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31st March, 2006

SCHEDULE - III

PARTICULARS	FIGURES AS AT	FIGURES AS AT
	31-03-2006	31-03-2005
SECURED LOANS :		
a) TERM LOAN :		
From SBBJ	110721230.57	128856056.63
See note No.1 (a)		
From Others banks	6763496.08	2797435.07
See note No.1(b)		
Sub-Total	117484726.65	131656491.70
b) Working Capital Loan		
From Banks (Rupee loan)	44074719.18	16366171.59
(See note No.2)		
From Banks (Foreign currency loan)	0.00	48182000.00
(See note No.2)		
c) Short Term Loan against FDR from Bank		
(See note No.3)		
	69523198.57	1237368.00
Sub-Total	113597917.75	65785539.59
Total	231082644.40	197442031.29

Note :

- (i) Term Loan includes Rs. 354.79 Lacs due within a year (Previous year Rs.292.85 lacs)
- (ii) * including foreign currency loan of Rs. Nil (Previous year Rs. 481.82lacs) repayable in Indian currency.

Note :

- 1 (a) Secured by way of equitable mortgage of lease of land belonging to M/s Om Structural Inds Pvt. Ltd & Om Kolhari Parivarik Trust , Sah Buildcon Pvt. Ltd. & Richa Builders Pvt. Ltd. under an agreement and



hyp. of Plant & Machinery and others assets of hotel cum revolving rest at Jaipur and equitable mortgage of lease hold land & building of multiplex Division at Kota and lease hold land located at VKI jaipur and hyp. of Plant & Machinery and other assets of the above said divisions and further secured by way of personal guarantees of shri T.C.Kothari C.P.Kothari & Shri D.P.Kothari directors of the company.

- (b) Secured by way of Hyp. of vehicles financed by other banks.
2. Working capital loans are secured by way of hypothecation of raw material, finished goods, stores & spares, food & beverage, liquor and book debt's 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 and second charges (except on which secured loans taken from banks and other parties etc. by way of mortgage/ hypothecation of all the immovable / movable properties of the Company's) & personal guarantees of the Shri T.C.Kothari , Shri C.P.Kothari and Shri D.P.Kothari Directors of the company and further secured by way of equitable mortgage of land & building belonging to Om Kothari Cement & Chemicals (P) Ltd., Jupiter Metals (P) Ltd. ,Om Rajasthan Carbide Ltd. , jupiter Mfg. Pvt. Ltd. and Om Structural (India) Pvt.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 guaranteed of the directors of the Company and collateral securities as mentioned above (2) & 3 on ranking pari-passu basis inter se between the lender .

SCHEDULE - IV

<u>PARTICULARS</u>	<u>FIGURES AS AT</u> <u>31-03-2006</u>	<u>FIGURES AS AT</u> <u>31-03-2005</u>
<u>UNSECURED LOANS :</u>		
1. From RIICO LTD. (sales tax Intt. free loan)	175720.00	996560.00
2. Inter corporate loan	3100838.00	0.00
Total	3276558.00	996560.00

Note : Rs. 1.76 Lacs due with in year(previous year Rs.6.96 lac)

SCHEDULE - V

DEFERRED TAX LIABILITIES AND ASSETS

DEFERRED TAX LIABILITIES

Depreciation	22290653.00	24584490.00
	22290653.00	24584490.00
<u>DEFERRED TAX ASSETS</u>		
Provision for gratuity & leave encashment	676800.00	679920.00
Capital Loss & Others	267083.00	267083.00
	943883.00	947003.00
Deferred Tax Liabilities	21346770.00	23637487.00



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

AS AT 31st March, 2006

Fixed Assets

SCHEDULE-VI

PARTICULARS	AS AT	ADDITIONS	SALES/ TRANSFER	TOTAL COST AS AT	DEPRECIATION UP TO 31-03-05	DEPRECIATION DURING THE YEAR	TRANSFER WRITTEN BACK	TOTAL DEPRE- CIATION	W. D. V.	W. D. V.
	31-03-2005								31-03-2006	31-03-2005
Lease hold land including Tenancy right	42189209.31	4803501.00	298329.31	46994481.00	483208.74	0.00	0.00	483208.74	46211272.26	41706100.57
Agriculture Land	521761.50	0.00	0.00	521761.50	0.00	0.00	0.00	0.00	521761.50	521761.50
Building/ Temp. Labour Quater Shed	191762140.92	61426097.37	10007705.45	243180532.84	22341161.60	14723263.69	5027863.62	32036541.47	211143691.37	169420979.32
Plant & Machinery	127836666.78	17473499.70	5123352.00	140186814.48	52658158.37	8507726.37	1907043.00	59259840.84	80927973.04	75178508.41
Electrical Fitting	10079457.62	2112089.00	0.00	12191546.62	983577.79	847080.23	0.00	1830658.02	10360888.60	9095879.63
Office Equipments	5481707.80	366627.00	119806.00	5726528.80	3117508.13	353588.70	63573.14	3407523.69	2321005.11	2364199.67
Furniture & Fixture	23161136.11	2420029.00	206566.96	25374598.15	7274277.87	2239753.43	179500.28	9334531.02	16040067.13	15886858.24
Computer	1486433.83	1112722.00	0.00	2599155.83	606429.06	666815.47	0.00	1293244.53	1304911.30	859004.77
Vehicle	14533925.14	6981551.10	199455.00	21316021.24	9890507.14	2849031.47	66455.00	12673663.61	8642337.63	4643418.00
A.C.J Cooler	1612063.91	309994.00	0.00	1942077.91	1086332.02	119034.65	0.00	1205366.67	726711.24	525751.89
TOTAL	418663622.92	87028110.17	15955214.72	499734518.37	98461160.72	30306894.01	7244456.14	121523598.59	378210918.78	320020462.20
Figures for the previous year	310276202.86	117960101.04	9562681.00	418663622.92	82162791.00	16290369.72	0.00	98461160.72	320020462.20	228113411.68



OM METALS INFRAPROJECTS LIMITED

(Formerly known as Om Metals Limited)

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT 31st March, 2006

SCHEDULE - VII

Particulars	No.	Face Value	Balance As At	
			31-03-2006	31-03-2005
1. <u>LONG TERM INVESTMENTS :</u>				
(Government and other securities (unquoted) National Saving Certificate (Deposited with in Sales Tax Dept. interest is to be adjusted on realisation)			14000.00	13000.00
(a) <u>OTHER INVESTMENTS (UNQUOTED)</u>				
Ordinary Share (Fully paid up)				
Om Kothari Enterprises Ltd.	759501	7595010.00	7595010.00	7595010.00
Raheja Build P. Ltd.	1250	12500.00	12500.00	0.00
	760751.00	7607510.00	7621510.00	7608010.00
(b) <u>OTHER INVESTMENTS (QUOTED)</u>				
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
	1130	11300.00	61040.00	61040.00
(c) <u>OTHER SECURITIES (QUOTED)</u>				
Indian Petro Chemicals Ltd. (Debenture)	100	5000.00	5000.00	5000.00
	100	5000.00	5000.00	5000.00
(d) <u>Investment in J V /Partnership/Subsidiary</u>				
Ordinary Share (Fully paid up) Unquoted				
Om Metal Auto pvt. Ltd.	25500	255000.00	255000.00	255000.00
Om Metals Consortium (Capital contribution) (Net) (Refer note no-19)			2014898.50	0.00
	25500	255000.00	2269898.50	255000.00



OM METALS INFRAPROJECTS LTD.

2. Current Investments	20000	200000.00	230378.53	0.00
ABN Amro Mutual Fund	20000.00	200000.00	230378.53	0.00
GRAND TOTAL			10187825.03	7929080.00
NOTE :				
1. Aggregate Book Value Securities	Quoted		2.96	0.86
	Unquoted		78.77	78.89
	Market price -quoted		4.06	2.95

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31st March, 2006

SCHEDULE - VII

PARTICULARS	FIGURES AS AT	FIGURES AS AT
	31-03-2006	31-03-2005
CURRENT ASSETS, LOANS & ADVANCES :		
1. INVENTORIES		
RAW MATERIAL & STORES		
i) Raw material, accessories & components food beverage & liquor	39443968.43	53095410.82
ii) Store & spares and coal	70601.00	26836.22
iii) Goods in transit	0.00	1631771.00
FINISHED GOODS		
i) Fabricated goods	2889908.00	8795369.00
WORK IN PROGRESS		
i) Engineering division including real estate	118825889.11	53500181.79
ii) Others	5374949.00	0.00
SUB TOTAL (A)	166805315.54	117096688.83



PARTICULARS	FIGURES AS AT	FIGURES AS AT
	31-03-2006	31-03-2005
2 SUNDRY DEBTORS		
Debtors for which Company held no Security other than personal security of Debtors.		
a) Debtors outstanding for a period exceeding 6 months. Considered Good	61303189.72	79572476.70
b) Other Debtors (Considered Good)	40855336.26	32828868.42
SUB TOTAL (B)	102158525.98	112401345.12
3. CASH & BANK BALANCE		
a) Cash in hand	2535426.92	5698635.58
b) Balances with Scheduled Banks		
i) On Current Account	215735079.58	11748143.94
ii) On Fixed Deposit Receipts and in margin account. (includes FDR Rs 396.55 lacs lien with banks against B.G./LC Issued by the Banks.)	302566630.61	285482637.48
iii) Interest accrued on FDR	9248934.09	671584.98
SUB TOTAL (C)	530086071.20	303601001.98
4 LOANS AND ADVANCES		
Unsecured (Considered good unless otherwise stated)		
(1) Loans		
(i) Corporate Loans	632335.00	11241779.00
(ii) Others to staff	186435.00	279815.10
(2) Advances recoverable in cash or in kind or for value to be received	20352408.96	31057847.44
(3) Advance against development of port	6990953.67	0.00
(4) Balance with customs & central excise authorities etc.	552767.00	730528.00
(5) Deposits	30071863.06	25052334.06
(6) Income taxes paid including FBT	41457264.68	17620083.67
SUB TOTAL (D)	100244027.37	85982387.27
GRAND TOTAL (A+B+C+D)	899093940.09	619084293.20

**OM METALS INFRAPROJECTS LIMITED****(Formely Known as Om Metals Limited)****SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31st March, 2006****SCHEDULE - IX**

Particulars	Figures as at 31-03-2006	Figures as at 31-03-2005
<u>CURRENT LIABILITIES & PROVISIONS</u>		
1. <u>CURRENT LIABILITIES</u>		
(i) <u>SUNDRY CREDITORS</u>		
For Goods		
- Total out standing dues of S.S.I undertaking for goods & others (Ref Note No.8 of Schedule No.XVIII)	476014.00	521451.07
- Total out standing dues of Creditors other than S.S.I	82839254.23	51016105.91
- For Expenses & other Liabilities	21013508.83	17522068.26
(ii) For Capital Goods	12119107.00	12091000.15
(iii) Government dues	2336551.25	1280125.31
(iv) Advance & Security deposit from Customers,	280667466.93	403371684.73
(v) Advance from Oml+jsc ukrain JV	163050160.83	0.00
(vi) Advance from Subsidiary company	171113.00	0.00
(vii) Unclaimed statutory liabilities (as referred in sec 205 C of the Companies Act,1956) Unclaimed dividend	214956.90	483.00
SUB TOTAL	562888132.97	485802918.43
2 <u>PROVISIONS</u>		
(i) For Taxation	30874567.00	9857701.00
(ii) For F B T	2184000.00	0.00
(iii) For Gratuity	1770680.00	1610223.00
(iv) For Leave Encashment	240014.00	247840.00
(v) Proposed final dividend on Equity Shares	11238230.00	16857345.00
(vi) Tax on proposed dividend	1576162.00	1576162.00
SUB TOTAL	47883653.00	30149271.00
GRAND TOTAL	610771785.97	515952189.43



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 1151.04 Lacs (in previous year Rs. 3941.34 Lacs)

SCHEDULE - X

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)	0.00	235207.94
Public Issue Expenses		
Less : 1/10 th written off during the year	0.00	235207.94
TOTAL	0.00	0.00

SCHEDULE - XI

PARTICULARS	2005-06 (RS.)	2004-05 (RS.)
OTHER INCOME		
Interest (Gross)	17429706.22	3800223.05
Claims (Including interest of Rs. 4.24 crore thereon)	69802720.00	221080.00
Rent and hire charges	3562250.00	2056000.00
Miscellaneous receipts	2822689.05	4432468.02
Transportation receipts	2172159.48	6683991.00
Profit on sale of fixed assets	1251845.38	0.00
Drawing and design receipt	1379000.00	95000.00
Share of Profit from Omi+jsc ukrain JV	789000.17	0.00
Excess Provision written back	22510.00	0.00
Total	99231880.28	17288762.07



OM METALS INFRAPROJECTS LTD.

OM METALS INFRAPROJECTS LIMITED

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SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT
for the year ended on 31st March, 2006

SCHEDULE - XII

Particulars	2005-06 (Rs.)	2004-05 (Rs.)
<u>INCREASE (DECREASE) IN STOCKS OF FINISHED GOODS AND GOODS IN PROCESS</u>		
<u>OPENING STOCK</u>		
Finished Goods	8795359.00	16358290.00
Work in Progress	53550181.79	43667940.00
Sub Total	62345540.79	60046230.00
<u>CLOSING STOCK</u>		
Finished Goods	2889908.00	8795359.00
Work in Progress	118825889.11	53550181.79
SUB TOTAL	121715797.11	62345540.79
INCREASE (DECREASE) IN STOCK	59370256.32	2298318.79

SCHEDULE - XIII

Consumption of material, provision & beverage/ Trading activities

Opening Stock	53095410.82	17175344.96
Add : Purchases including accessories & bought out item / semi finished, food & beverage & liquor	315385022.78	254939407.00
SUB - TOTAL	368480433.60	272113751.96
Less : Closing Stock	39443968.43	53095410.82
	329036465.17	219018341.14
Purchases of finished goods / parts for trading activities	32284623.00	775072.82
Total	361321088.17	219790413.13

Note :

* Includes Rs.94.64 lacs on a/c of land transferred from fixed assets for carrying of business of housing in previous year.



OM METALS INFRAPROJECTS LIMITED

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**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT
for the year ended on 31st March,2006**

SCHEDULE - XIV

Particulars	2005-06 (Rs.)	2004-05 (Rs.)
<u>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</u>		
Salaries,Wages,Bonus & Allowances and Gratuity etc.	27799177.10	25068330.50
Contribution of PF, ESI scheme	1172499.05	917171.70
Employee Welfare Exp. Including compensation	1747304.90	1583987.00
TOTAL	30718981.05	27569489.20

SCHEDULE - XV

Manufacturing,Operating & Upkeep\service\house & Film Distribution Expenses

Power ,fuel & water expenses	17561116.34	10888605.84
Stores, Spares & Tools Consumed.	19823903.66	10827063.10
Job & other work exp. including drawing & design	37918926.90	33298464.30
Rent/Hire charges for machinery,vehicle & building	39694392.00	5350024.00
Transportation Expenses	7798322.00	4570834.30
<u>Repairs & Maintenance</u>		
i) To Machinery	2081329.91	2275083.23
ii) To Building	1956721.00	945282.51
Insurance Expenses	1759299.48	843769.80
Film hire & other charges for display/exhibition	12091382.00	13904572.80
Film Purchase for distribution	0.00	14956986.00
House up-keeping & other hotel / rest. exp.	1500062.40	928765.40
linen,wares & cutlary,groceries & laundry expenses	1075250.50	1216423.70
TOTAL	143260706.19	100005874.98



OM METALS INFRAPROJECTS LTD.

OM METALS INFRAPROJECTS LIMITED

(Formerly known as Om Metals Limited)

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON 31st March, 2006

SCHEDULE - XVI

Particulars	2005-06 (Rs.)	2004-05 (Rs.)
Administrative & Selling Exp.		
Remuneration to directors	3120000.00	1140000.00
Rent, rates & taxes	3535234.64	2713128.00
Telephone, telex & postage	4282783.38	3501786.95
Travelling & conveyance expenses	10888946.46	8919464.15
Legal, consultancy, retainership, professional arbitration expenses	7963498.05	4829253.60
General repairs	1620239.00	330425.75
Vehicle running & maintenance	4778649.50	3544732.76
Miscellaneous expenses	9088664.49	5834441.64
Audit fees	171178.00	136000.00
Charity & donation	1384000.00	261950.00
Advertisement	2152165.92	629684.57
Tender & sales liaisoning Exp.	1155409.00	498337.15
Public Issue exp. written off	0.00	235207.94
Claims / rebate & discount exp.	530822.22	1668789.08
Frenchises / management exp.	1228475.66	1283255.00
Keyman insurance	1894610.00	1896234.00
Share of operating loss for hiring of assets to Toyoto dealership	195037.00	0.00
TOTAL	53989713.32	37522650.58

SCHEDULE - XVII

FINANCIAL EXPENSES

Bank Commission & Other Charges

6626795.63 7923365.54

INTEREST PAID TO BANKS

a) On Term Loan

10582013.71 7196429.74

b) On working capital/others/project Authority

6667881.18 5672953.28

TOTAL

23876690.52 20792748.56



OM METALS INFRAPROJECTS LIMITED

(FORMELY KNOWN AS OM METALS LIMITED)

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31.03.2006 AND PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED ON THAT DATE**

SCHEDULE - XVIII

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 cenval less accumulated depreciation. 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) Free hold land and lease hold land are not depreciated except multiplex division.
- (f) Capital assets whose ownership does not vest with the company have been depreciated as per column no. (ii) (b) above.

(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) |
|---|---|---|



- (b) Process Stocks : Direct cost i.e. raw material, labour cost and other appropriate share of overheads etc on estimated basis of job done.
- (c) Finished Goods : Cost or net realizable value*, which ever is lower. The bases of determining cost which also includes taxes and duties wherever applicable.

HOTEL DIVISION :

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

* 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.

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 :

At the year - end , monetary items denominated in foreign currencies are converted into rupee equivalents of the year - end exchange rates.

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 :

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate of the date transaction is recognised as income or expense 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. and excluding sales tax . It is being accounted for net of returns/discount/claims .

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

vii) INVESTMENTS :

Long Term Investments are stated at cost unless there is a permanent fall in value there of. Current investments are stated at cost or net realizable value which ever is less.

viii) MISCELLANEOUS EXPENDITURE (To the extent not written off or ; adjusted) Miscellaneous expenditure such as public issue expenditure are amortized over a period of 10 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) INCOME TAX :

(a) Current Tax :

The income tax liability provided in accordance with the provisions of the Income Tax Act, 1961.

(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 liabilities provided in according with the provision of the Act.

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)

c) LEAVE SALARIES :

Provision is made for value of unutilized leave due to employees at the end of the year.

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



OM METALS INFRAPROJECTS LTD.

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.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR :

(RS. IN LACS)

S. No.	Particulars	As at 31.03.2006	As at 31.03.2005
i)	Outstanding bank guarantee *	7872.88	6140.17
ii)	Letter of credits accepted	1386.99	505.13
iii)	Claims against the Company not acknowledged a debt relating to supplies and service matters including counter claims of project authorities.	1408.25	1359.4
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 16 below.)	196.29	133.11

Based on favourable 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 it's 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 31.03.2006
OML+JSC, UKRAIN , KAMENG (JV)	2436.50
Om Metals Consortium (PF)	1000.00
Om Ray (JV)	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) net of advances on capital account and not provided for Rs. 524.14 lacs (Rs. 382.05 lacs in the previous year)
- Claims raised by the Company with various project authorities/ other parties amounting to Rs.6831.94 lacs (Rs. 6587.43 Lacs in previous year) , against these claims, the company has received arbitration awards of Rs.1063.37 lacs (Previous year Rs. 1190.55 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 .



5. **PAYMENTS TO AUDITORS INCLUDING AUDITORS OF BRANCHES :**

(Rs. in Lacs).

Particulars	2006	2005
Audit fee's	1.71	1.36
Other services	0.51	0.36
Total :-	2.22	1.72

- Audit fees includes service tax of Rs. 0.19 lacs (Previous year Rs. 0.07 lacs.)

6.a) **REMUNERATION TO DIRECTORS :**

(Rs. in Lacs)

S.No.	Particulars	2005-2006	2004-2005
i)	Managerial Remuneration U/s 198 of the Companies Act 1956. (Directors)	31.20	11.40
ii)	Salaries & Consultancy (Chairman)	1.20	1.20
iii)	Perks and benefits for above (Includes in Misc. Exp.)	11.69	11.80

- c) No Commission was paid to the Directors.

7. **EARNING PER SHARES (E.P.S.)**

S.No.	Particulars	2006	2005
i)	Calculation of weighted average number of face value of equity shares of Rs. 1 each.(Rs. 10/- each in previous year)		
ii)	No. of shares at the beginning of the year.	56191150	56191150*
iii)	Net Profit after Tax available for equity shares holders (Rs.)	223640369	32542090
iv)	Basic and diluted earning per shares (Rs.)	3.98	0.58

*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. In accordance with the requirements of Accounting Standards (AS) 20, "Earning per share" issued by the Institute of Chartered Accountants of India, earning per share for previous year has been restated based on weighted average number of equity share after considering the enhanced equity shares capital post share split.

8. Sundry Creditors includes Rs 4.76 Lacs (Previous year Rs. 5.21 Lacs) belongs to Small Scale and ancillary undertaking to the extent such parties have been identified from available information, who covered under the " Interest on delay and payment to Small Scale and Ancillary Industrial Undertaking Act 1993" The Company has not received any claim for interest from any Suppliers under the said Act.

None of Small Scale Industrial undertaking & to whom the company owes more than Rupees One Lac Outstanding for more than 30 days as at 31.03.2006 :



9 SEGMENT REPORTING :

a) **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 business segments include the main segment is 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, Hotel Cum revolving restaurant division .

b) **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,

c) **SEGMENT ACCOUNTING POLICES :**

In addition to the significant accounting policies applicable to the business segment as set in note 1 above , 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 can be directly attributed to individual segments.

iii) **INTER SEGMENT SALES :**

Segment sales between operating segment 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.**



d) Information about business segments :

Rs. In Lacs

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
(1) Segment Revenue :								
External sales income (Net)	6431.04	3742.68	0.00	0.00	0.00	0.00	6431.04	3742.68
Income from services	0.00	0.00	424.75	489.80	469.43	311.44	894.18	801.24
Other receipt	785.44	151.14	0.00	0.00	0.00	0.00	785.44	151.14
Inter segment sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	7216.48	3893.82	424.75	489.80	469.43	311.44	8110.66	4695.06
(2) Segment Results :								
Segments results	2232.31	566.16	210.44	87.80	70.20	19.18	2512.95	673.14
Unallocated expenses (Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating profit before Int.	2232.31	566.16	210.44	87.80	70.20	19.18	2512.95	673.14
Financial exp.	163.14	134.24	12.00	18.90	63.62	54.79	238.76	207.93
Interest income	171.30	38.00	0.00	0.00	0.00	0.00	171.30	38.00
Income tax current	210.00	39.50	0.00	0.00	0.00	0.00	210.00	39.50
F B T	20.52	0.00	0.16	0.00	1.32	0.00	22.00	0.00
Deferred tax assets/Lia.	22.91	138.29	0.00	0.00	0.00	0.00	22.91	138.29
Net Profit	2032.86	292.13	198.28	68.90	5.26	-35.61	2236.40	325.42
3 (i) Other Information :								
Segment Assets less C.Liab.	10700.09	7663.16	385.56	453.15	2172.87	1977.82	13258.52	10094.13
Inter Branch	1292.33	1230.44	129.63	-58.96	-1421.96	-1171.48	0.00	0.00
Unallocated assets								
Total Assets	11992.42	8893.60	515.19	394.19	750.91	806.34	13258.52	10094.13
Segments Liabilities :								
Share Capital	561.91	561.91	0.00	0.00	0.00	0.00	561.91	561.91
Reserve & Surplus	3722.25	2045.89	372.35	174.07	-62.77	-68.03	4031.83	2151.93
Secured & Unsecured Loan	1601.33	1011.68	106.87	166.87	635.40	805.84	2343.60	1984.39
Segment liabilities	5893.47	5037.74	35.97	53.25	178.28	68.53	6107.72	5159.52
Unallocated liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	213.46	236.38	0.00	0.00	0.00	0.00	213.46	236.38
Total Liabilities	11992.42	8893.60	515.19	394.19	750.91	806.34	13258.52	10094.13
(ii) Capital Expenditure	949.64	1059.31	0.44	1.33	20.18	741.13	970.26	1801.77
Depreciation	225.78	77.00	16.38	35.99	56.33	45.01	298.49	158.00
Amortisation	0.00	2.35	0.00	0.00	0.00	0.00	0.00	2.35
Non cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



OM METALS INFRAPROJECTS LTD.

10. 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 31st March 2006 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 :

Party	Relationship	
Om Metal Auto (P) Limited	Subsidiary	
Om Structural India (P) Limited (OSIPL)	Associate Promoter holding more than 20%	
Om Rajasthan Carbide Limited		
Om Kothari Cement & Chemicals (P) Limited		
Om Kothari Steel & Alloys Limited		
Richa Builders (P) Ltd.		
SAH Build con (P) Ltd.		
Lambodar Finvest (P) Ltd.		
Om Kothari Enterprises Limited		
Jupiter Mtg. Co. (P) Ltd.		
Om Kothari Panwarik Trust		
Om Kothari Foundation		
Well Washer Construction & Finance (P) Ltd.		
Luhadia construction (P) limited		
Kundan Mal Mukund Mal traders (P) Limited		
Hingri Dealcom (P) Limited		
*Jupiter Metal (P) Limited		
Om Transport Corporation		
Om Adrath Co. (P) Limited		
Om Power Corporation Limited		
Benzer Agencies Limited		
Bahubali Housing Co. (P) Limited		
1) OML+ JSC. Ukrai (JV) Kameng	Joint Venture	
2) Om Metals Consortium	Partnership firm	
Key Management persons	Directors	
Dr. T.C. Kothari		
Mr. C.P. Kothari		
Mr. D.P. Kothari		
Mr. P.C. Jain		
Mr. Kamal Chand Chandwar		
Relatives of Key management persons		Relative of directors
Mr. Vivek Kothari		
Mrs. C. Manjula Kothari		
Mrs. D. Manjula Kothari		
Mrs. Seema Kothari		
Mrs. Anita Kothari		
Mr. Sunil Kothari		
Mr. Vikas Kothari		
Ms C.P. Kothari & Sons		

Note - The transactions relating to reimbursement of actual expenses to/from related parties have not been considered above.

* Note Related upto 30-09-02004

OM METALS INFRAPROJECTS LTD.



Transaction during the year with related parties (Excluding reimbursement)

Name of company	Nature of Transaction	2005-06	2004-05
A. with subsidiary company 1. Om Metals Auto Pvt. Ltd.	Opening balance as at 01.04.05 Investment in equity shares Loans & Advances Transactions Net move. in loans & Adv. Dr.&Cr. Job work(Vehicle repair) Share of Net loss on a/c of hiring of F.A. Security deposit(received) Closing balance as on 31.03.06 Investment in equity shares Creditors Loans & Advances Security receipts	 2.55 1.76 16.73 3.67 1.98 5.00 2.55 1.71 0.00 5.00	 2.55 0.00 2.55 0.00 1.76 0.00
B. with associate promoter holding more than 20% equity 1. Om Structural (I) Pvt. Ltd.	Opening balance as at 01.04.05 Creditors Transactions Net movements in loans Job work/building construction Hire/Rent charges Dividend Closing balance as on 31.03.06 Creditors	 1.29 41.62 4.20 3.60 23.27	 9.54 71.08 3.12 0.30 1.29
2. Om Rajasthan Carbide Limited	Opening balance as at 01.04.05 Loans and advances Creditors Transactions Job work Loans and advances	 1.61 0.00 12.88 0.16	 0.00 3.77 13.50 1.81
3. Om Kothari Cement & Chemicals P. Ltd.	Opening balance as at 01.04.05 Loans and advances Transactions Job work Purchases Security deposit given Closing balance as on 31.03.06 Creditors Loans and advances (given) Security deposit given	 40.39 50.55 0.00 20.00 0.37 0.00 20.00	 33.54 37.48 2.23 0.00 0.00 40.39 0.00
4. Om Kothari Steel & Alloys Limited	Opening balance as at 01.04.05 Creditors Transactions Job work Closing balance as on 31.03.06 Creditors	 30.99 14.30 36.57	 24.55 39.10 30.99



OM METALS INFRAPROJECTS LTD.

5. Richa Builders Pvt. Ltd.	Opening balance as at 01.04.05 Creditors 1.30 0.00 Transactions Hire/Rent charges 2.04 2.04 Closing balance as on 31.03.06 Creditors 2.49 1.30
6. SAH Build con (p) Ltd.	Opening balance as at 01.04.05 Creditors 1.28 Transactions Hire/Rent charges 2.04 2.04 Closing balance as on 31.03.06 Creditors 2.49 1.28
7. Lambodar Fin Vest Pvt. Ltd.	Opening balance as at 01.04.05 Advance agst. Fixed assets(goods) 37.00 Loans and advances 0.67 0.16 Transactions Adv agst fixed assets 37.00 Hire/Rent charges 0.80 Advance given 4.44 Closing balance as on 31.03.06 Adv. For purchases of goods 28.50 37.00 Loans and advances 0.00 0.67
8. Om Kothari Enterprises Ltd.	Opening balance as at 01.04.05 Investment in equity shares 75.95 75.95 Transactions Net movements in loans 0.24 Closing balance as on 31.03.06 Loans & advances 0.00 0.00 Investment in equity shares 75.95 75.95
9. Jupiter Manufacturing Co. P. Ltd.	Opening balance as at 01.04.05 Loans and advances 39.02 8.34 Transactions Job work 22.49 15.00 Security deposit given 27.50 0.00 Closing balance as on 31.03.06 Loans and advances 0.00 39.02 Creditors 0.19 0.00 Security deposit 27.50 0.00
10. Om Kothari Pariwarik Trust	Opening balance as at 01.04.05 Transactions Hire/Rent charges 2.14 2.14 Closing balance as on 31.03.06 0.00 0.00
11. Om Kothari Foundation	Opening balance as at 01.04.05 Transactions Donation 1.30 1.30 Hire/Rent charges 0.96 0.96 Closing balance as on 31.03.06 0.00 0.00
12. Well wisher const & Finance Pvt. Ltd.	Opening balance as at 01.04.05 Loans and advances 72.40 0.00 Transactions Advance agst. F.A. 0.97 72.40 Closing balance as on 31.03.06 Loans and advances given ag. F.A. 73.37 72.40

OM METALS INFRAPROJECTS LTD.



<p>13. Himgiri Dealcom (P) Ltd.</p>	<p>Opening balance as at 01.04.05 Loans and advances Advance against FA Transactions Net movements in loans Advance agst. F.A. Advance given Closing balance as on 31.03.06 Loans and advances Advance for purchases of FA</p>	<p>0.18 51.00 44.29 0.00 51.00</p>	<p> 51.00 0.00 0.18 51.00</p>
<p>14. Jupiter Metal P. Ltd.</p>	<p>Opening balance as at 01.04.05 Loans and advances Transactions Net movements in loans Job work Sales of goods Hire/Rent charges Security deposit given Closing balance as on 31.03.06 Creditors Loans and advances Security deposit given</p>	<p> 0.00 74.14 0.00</p>	<p>24.75 27.00 27.14 0.20 0.00 74.14 0.00</p>
<p>15. Benzer agencies Ltd.</p>	<p>Opening Balance as on 01.04.05 Creditors Transaction Advance given Advance received Closing balance as on 31.03.06 Loans and advances</p>	<p>0 36.52 0.00 0.00</p>	<p>0.43 </p>
<p>16. Bahubali Housing Pvt. Ltd.</p>	<p>Opening balance as at 01.04.05 Loans and advances Cr. Transactions Loans and advances Income Closing balance as on 31.03.06 Loans and advances</p>	<p>2.71 5.38 0.00</p>	<p>6.00 2.71 2.71</p>
<p>C. Joint Venture 1. Om+JSC UKRHYDROMECH JV Kameng</p>	<p>Opening balance as at 01.04.05 Transactions Net movements in loans Closing balance as on 31.03.06 Advance from JV</p>	<p> 1630.50</p>	<p>0.00 0.00</p>
<p>2. Om Metal Consortium, Partnership firm</p>	<p>Opening balance as at 01.04.05 Transactions Net movements in loans Closing balance as on 31.03.06 Capital contribution in JV</p>	<p>0.00 20.15</p>	<p> 0.00</p>
<p>D. Directors of the company 1. Dr. T.C. Kothari</p>	<p>Opening Balance as on 01.04.05 Transaction Consult & fees for board meeting Hire/rent charges Closing balance as on 31.03.06</p>	<p>0.00 2.10 0.48 0.00</p>	<p>0.00 1.20 0.00 </p>
<p>2. Mr. C.P. Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Net movements in loans Dr. & Cr. Hire charges/Rent paid Director Remuneration Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>10.00 2.71 1.38 16.50 10.00</p>	<p>10.00 0.90 4.98 10.00</p>



OM METALS INFRAPROJECTS LTD.

<p>3. Mr. D.P. Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Net movements in loans Hire charges/Rent paid Director Remuneration Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>5.00 2.50 0.80 14.70 7.50</p>	<p>5.00 0.80 4.56 5.00</p>
<p>E. Relatives of Directors 1. Mr. Vivek Kothari</p>	<p>Opening Balance as on 01.04.05 Transaction Salary Hire charges/Rent paid Closing balance as on 31.03.06</p>	<p>0.00 2.10 0.00</p>	<p>0.00 0.80 0.00</p>
<p>2. Mrs. C. Manjula Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Hire charges/Rent paid Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>10.00 1.08 10.00</p>	<p>10.00 0.80 10.00</p>
<p>3. Mrs. D. Manjula Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Hire charges/Rent paid Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>10.00 1.08 10.00</p>	<p>10.00 0.80 10.00</p>
<p>4. Mrs. Seema Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Hire charges/Rent paid Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>5.00 0.80 5.00</p>	<p>5.00 0.80 5.00</p>
<p>5. Mrs. Anita Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Security Deposit Hire charges/Rent paid Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>10.00 2.50 0.80 12.50</p>	<p>10.00 0.80 10.00</p>
<p>6. Mr. Sunil Kothari</p>	<p>Opening Balance as on 01.04.05 Security deposit outstanding Transaction Salary and allowances Hire charges/Rent paid Closing balance as on 31.03.06 Security deposit outstanding</p>	<p>5.00 0.72 0.54 5.00</p>	<p>5.00 0.72 5.00</p>
<p>7. Mr. Vikas Kothari</p>	<p>Opening Balance as on 01.04.05 Transaction Hire charges/Rent paid Salary and allowances Closing balance as on 31.03.06</p>	<p>0.86 0.86</p>	<p>0.80 0.86</p>
<p>8. M/S C.P. Kothari & Sons</p>	<p>Opening Balance as on 01.04.05 Transaction Net movements in loans Dr. Net movements in loans Cr. Closing balance as on 31.03.06 Loans & Advance Dr.</p>	<p>9.37 9.22 0.15</p>	



11. In the opinion of Board of directors, provisions of all known liabilities have been made and current assets and advances so stated, have been taken at a value at least equal to realizable in the ordinary course of business.

12. AS -2 and change in accounting policy

Hitherto, the company was valuing closing stock of finished goods in engineering division at contract/selling price. As per requirement of AS-2, the company has changed the method of valuation of the finished goods in Engineering division from contract/selling price to cost or net realizable value which ever is lower. As a result of such change, the profit for the year, reserve & surplus and stocks are decreased by Rs. 2.69 lacs.

13. As the Company operates the hotel, it is not practical to give the quantitative wise details in respect of purchases, consumption, turnover and stock etc. The company filed an application on dated 22.05.2006 to Central govt. for the exemption to disclose the quantitative details.

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

a) i) Particulars in respect of Licenced and installed capacity.

ii) Particulars in respect of opening stock, Goods manufactured, sales, closing stocks and Trading Activities.

iii) Particulars in respect of consumption of raw material, accessories and bought out items.

b) Other Additional information.

	(Rs. in Lacs)	
	Current Year	Previous Year
i) C.I.F. Value of Imports:		
Raw Material	635.87	776.86
Capital Goods	0.00	0.00
ii) EXPENDITURE OF FOREIGN CURRENCY:		
Capital	Nil	Nil
Others	9.00	2.05
iii) Income of Foreign Currency		
Room rent & other services	25.94	0.00
iv) VALUE OF RAW MATERIAL & STORES AND COMPONENTS CONSUMED:		
a) Raw Material		
Imported	635.87	776.86
Indigenous	2854.49	1413.32
b) Stores & Spares & Components (Engg. div.)		
Imported		0.00
Indigenous	198.24	108.27



OM METALS INFRAPROJECTS LTD.

15. The company has taken lease hold land on sub lease basis from Om Structural India (P) Limited at Kota and from Om Structural India (P) Limited, Om Kothari Pariwarik Trust, Shah build con (P) Limited and Richa builders (P) Limited at Jaipur under an agreement for construction of work shop shed and other building at Kota and Hotel cum revolving tower at Jaipur with stipulation that building with fixtures shall be handed over after expiry of lease period on WDV cost and W.D.V. of building and fixtures shall be recovered.
16. The details of disputed income tax, service tax, sales tax & Excise duty as on 31-03-06 are as follows.

Nature of the Statute	Nature of the Dues	Forum where pending (Rs. in Lacs.)	Net demand Amount	Period to which the amount relates
Sales Tax Laws	Sales Tax	Commissioner (Appeals)/Tribunal	116.14*	1984-85, 1985-86, 1990-91 to 1994-95, 02-03, 03-04, 04-05
		High court	7.19	1986-87
Central Excise	Excise Duty	Tribunal/Commissioner (Appeal)	97.42	2001-02 & 03-04
Income Tax	Income Tax	CIT Appeal/ITAT	84.62*	1991-92, 95-96, 96-97, 2001-02 to 2003-2004

- Against it, the company paid Rs. 109.08 lacs.

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 payable. The company replied suitably.

17. 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
18. Expenses relating to earlier year amounting to Rs. 3.72 lacs debited to misc & respective expenses head.
19. The company has the following joint ventures as on 31st March 2006 and its proportion at share in the assets, liabilities. Income and expenditure of the joint venture companies is given below :-

(Rs. in lacs)

Particulars	Current year	
	Joint venture companies (JV)	Partnership firm
Name of Co.	OML + JSC ukrain, Kaming (JV)	Om Metals consortium (PF)
Proportion of ownership interest	60%	See note - b
Country of incorporation or registration	India	India
Accounting period ended	31.03.06	31.03.06
Assets	503.04	781.47
Liabilities	1508.61	14.92
Income	30.76	0.00
Expenditure	-	-
Contingent Liabilities	2436.50	1000.00
Capital commitments	-	-



Note :-

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

Name of partner	Sharing ratio
Om Metals Infraprojects Limited	35%
Subhash projects & marketing Ltd.	10%
Nikhil Township (P) Limited	30%
Amrfina Construction (P) Ltd.	10%
Morya Housing Limited	10%
Wellwisher Constructions & Finance (P) Ltd.	5%

- c) Figures of Om Metals Consortium are unaudited .
- d) Share of profit in Om Ray (JV) surrendered on 31.03.06. Therefore relevant figures are not furnished.
20. Figures for previous year have been re-arranged/regrouped wherever necessary to make them comparable.
21. Schedule I to XVIII 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
Sd/-

S.K. MAHIPAL
Partner
M No. 70366

Place : Kota
Dated : 30-06-2006

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-
T.C.KOTHARI
(Chairman)

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

Sd/-
D.P.KOTHARI
(Director)


OM METALS INFRAPROJECTS LIMITED

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

Annexure to notes no. 14 schedule no. XVIII for the year ended on 31-03-2006

a) Licenced capacity	Current year	Previous year
b) Installed capacity		
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		
1	Dam Gates, Hoist and other fabricated goods	Mt	69.100	8356849.00	124.898	15813790.00	442.614	296.724	9.566	32284623.00		
		Set	4		36		731.50	413	36		4	775072.00
2	Scrap	No.			675		56	0				
		Sqrm				4248.056	14999.349	190				
		Mtr										
		Mt	35.120	438510.00	49.50	544500.00	7.132	90.810	0.00	0.00	0.00	0.00
Total		Mt	104.220	8795359.00	174.40	16358290.00	449.746	387.534	9.566	32284623.00	0.00	775072.00
		Set	4		36		731.50	413	36		4	
		No.			675		56	0				
		Mtr					190					
		Sqrm					4248.056	14999.349				

OM METALS INFRAPROJECTS LIMITED

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

Annexure to notes no. 14 schedule no. XVIII for the year ended on 31-03-2006

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
1	Dam Gates, Hoist and other fabricated goods	Mt.	521.28	471412829.54	298.724	253082466.00	45.391	2471408.00	69.100	8356849.00
		Set	758		413		13.50		4	
		No.	58		0					
		Sqm	4248.058		14999.35					
		Mtr	190							
2	Escalation, erection and other receipt		-	260830876.28		123735618.73				
		Mt.	9.740	102534.00	43.790	402894.00	32.512	418500.00	35.120	438510.00
3	Scrap									
Total		Mt.	531.020	732346239.82	340.514	377220978.73	77.903	2889906.00	104.220	8795359.00
		Set	758		413		13.50		4	
		No.	64		0					
		Mtr	190		14999.35					
		Sqm	4248.058							



OM METAL INFRAPROJECTS LIMITED

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

Particulars in respect of Consumption of raw Material Accessories and bought out items for the year as on 31st March, 2006

S.No.	Particulars		2005-2006		2004-2005	
			Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
1	Structural Steel	MT	5438.039	180723711.58	2258.89	73110832.30
		Nos	112			
		Mtr	238			
2	Stainless Steel	MT	90.111	8823279.60	29.1325	2946539.49
		No.				
3	Casting	MT	69.461	4214703.00	19.629	301787.00
		Nos	6			
4	Brass	Mt.	15.706	952156.00	2.324	288874.49
5	Accessories	-	-	7908965.62	-	8544891.23
6	Bought out	Mt.	0.580	108871867.99	116.357	114228794.40
		No.	1246			
		Mtr.	31116			
7	Food & Beverage	-	-	8593224.78	-	6448044.22
8	Civil Construction Material	-	-	8948550.60	-	4459485.00
9	Land for Flat	-	-	-	21350sqm	9464365.00
	Total:-	Mt.	5613.897		2426.34	
		No.	1364		5353	
		Mtr.	31354	329036465.17	4925.02	219018341.13

M/S. OM METALS INFRAPROJECTS LTD., JAIPUR

CASH FLOW STATEMENT FOR THE YEAR ENDED

	31-3-2006	31-3-2005
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT AFTER DEPRECIATION	244549652.10	50320812.54
ADD:-		
DEPRECIATION	29849173.61	15799361.72
INTEREST & BANK COMMISSION PAID	23876690.52	20792748.56
PUBLIC ISSUE EXP. WRITTEN OFF	0.00	235207.94
	298275516.23	87148130.76
LESS:-		
INTEREST RECEIPT	17429708.22	3800223.05
PROFIT ON SALE OF FIXED ASSETS	1251845.38	
	18681551.60	3800223.05
OPERAT. PROFIT BEFORE WORK CAP. CHANGES	279593964.63	83347907.71
ADJUSTMENT FOR		
TRADE & OTHER RECEIVABLES	10242819.14	-57055868.21
INVENTORIES	-49505756.71	-39598809.97
LOANS & ADVANCES	9575540.91	-27331182.32
TRADE PAYABLES	35269151.82	38476966.88
OTHER PAYABLES	41816062.72	328989597.70
	326991782.51	326828611.79
ADD:- INTEREST & BANK COMMISSION PAID	-23876690.52	-20792748.56
DIRECT TAXES PAID	-23836315.00	-8072655.11
PROVISION OF GRATUITY & LEAVE	-5466484.00	144296.00
CASH GEN. FROM OPERATING ACTIVITIES	273812292.99	298107504.12
(A)	273812292.99	298107504.12
(B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASES OF FIXED ASSETS	-97026191.07	-117980101.04
INCREASE IN CAPITAL WIP ADVANCES	23837755.15	-20437072.77
INVESTMENT	-2258775.03	1645000.00
SALE OF FIXED ASSETS	6805656.85	9592681.00



OM METALS INFRAPROJECTS LTD.

INTEREST RECD	17429708.22	3800223.05
(B)	-51211847.88	-123379289.78
(C) CASH FLOW FROM FINANCING ACTIVITIES		
SECURED LOAN AS TERM LOAN	-14171765.05	68107134.29
SECURED LOAN AS WORK. CAP.	47812378.16	17721765.48
UNSECURED LOAN	2279698.00	-589400.00
DIVIDEND TAX	-32035987.00	-734350.00
SHARE PREMIUM/SHARE CAPITAL		10808.00
SHARE OF LOSS FROM OM METALS INFRAPROJECTS		
(C)	3884624.11	84535757.77
OPENING CASH & OTHER EQUIVALENTS AS ON 1-4-05	303601001.98	44337009.85
ADD:-		
(A) CASH FLOW FROM OPERATING ACTIVITIES	273812292.99	298107504.12
(B) CASH FLOW FROM INVESTING ACTIVITIES	-51211847.88	-123379289.78
(C) CASH FLOW FROM FINANCING ACTIVITIES	3884624.11	84535757.77
CLOSING CASH & OTHER EQUIVALENTS AS ON 31-03-06	530086071.20	303601001.98

FOR M.C.BHANDARI & CO.
Chartered Accountants
Sd/-

S.K. MAHIPAL
Partner
M.No. 70366

Place : Kota
Dated : 30-06-2006

FOR OM METALS INFRAPROJECTS LIMITED
Sd/-

T.C.KOTHARI
(Chairman)

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

Sd/-
D.P.KOTHARI
(Director)

AUDITOR'S CERTIFICATE

WE HAVE EXAMINED THE ABOVE CASH FLOW STATEMENT OF M/S.OM METALS INFRAPROJECTS LTD. FOR THE YEAR ENDED AS ON 31-03-2006 AND FOUND THE SAME TO BE DRAWN IN ACCORDANCE WITH THE REQUIREMENTS OF CLAUSE 32 OF THE LISTING AGREEMENT.

FOR M.C.BHANDARI & CO.
Chartered Accountants
Sd/-

S.K. MAHIPAL
Partner
M.No. 70366

Place : Kota
Dated : 30-06-2006

STATEMENT U/S 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1	Name of the company	Om Metals Auto Pvt. Ltd.
2	Date from which it became subsidiary company	28th February 2005
3	Financial Year of the subsidiary ended on	31st March, 2006
4	Shares of the subsidiary held by Om Metals Ltd. On the above dates	25,500 face value rs. 10/-
	(i) Number & face value	
	(ii) Extent of holding	51%
5	Net aggregate Profit or (Loss) for the current year (in Rs.)	-780149
6	Net aggregate amounts of the profits or losses of the subsidiary so far as it concerns the members of the holding company and is dealt with in the accounts of holding company :	
	(a) for the financial year of the subsidiary	-413139
	(b) for the previous financial years of the subsidiary since it became its subsidiary	-114742
7	Net aggregate amounts of the profits or losses of the subsidiary so far as it concerns the member of the holding company and is not dealt with in the accounts of holding company :	
	(a) for the financial year of the subsidiary	Nil
	(b) for the previous financial years of the subsidiary since it became its subsidiary.	Nil

FOR AND ON BEHALF OF THE BOARD

Sd/-	Sd/-
T. C. Kothari	C. P. Kothari
Place : New Delhi	D. P. Kothari
Date : 30.06.2006	





OM METALS INFRAPROJECTS LTD.

OM METALS INFRAPROJECTS LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S CURRENT BUSINESS PROFILE

(I)	REGISTRATION DETAIL :	
	Regisation No.	17-3414
	Balance sheet Date	State code 17 31 March, 2006 (Amount in Rs.000)
(II)	CAPITAL RAISED/REDUCED:	
	Public Issue	NIL
	(Share capital reduced in terms of the scheme of arrangement as per order of Hon'ble Rajasthan High court dt.9-8-2002, Partly Paid up share are Converted into fully paid up shares.)	
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement (Promoter's Contribution)	Nil
(III)	POSTION OF MOBILISATION & DEVELOPMENT OF FUNDS :	
	Total liabilities	715080
	Total Assets	715080
	SOURCES OF FUNDS	
	Paid up Capital	56191
	Reserves & Surplus	403182
	Secured Loans	231083
	Unsecured Loans	3276
	Deffered Tax Liabilites	21347
	APPLICATION OF FUNDS	
	Net Fixed Assets including work-in-progress	416569
	Investments	10188
	Net Current Assets	288322
	Miscellaneous Expenditure	
(iv)	PERFORMANCE OF THE COMPANY	
	Turnover	887566
	Total Expenditure	643016
	Profit Before Taxes	244550
	Profit After Taxes	223640
	Earning per share	3.98
	Dividend Rate	50%
(v)	GENERAL NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY	
	(As per monetary terms)	
	Items Code	Not Available
	(ITC code)	
	Products/services	(I) Fabrication and Erection of Dam Gates/Hoists/Cranes of Irrigation & Power Projects.
	Description:	(ii) Conversion of H.R Coil to C. R. Sheet
		(iii) Entertainment

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-
T.C.KOTHARI
(Chairman)
Sd/-
C.P.KOTHARI
(M. Director)
Sd/-
D.P.KOTHARI
(Director)



Auditor's Report to the Board of Directors of Om Metals Infra-projects Limited (Formerly known as Om Metals Limited) on the consolidated financial statements of Om Metals Infra-projects Limited (Formerly known as Om Metals Limited), Its subsidiary and joint venture.

1. We have audited the attached consolidated Balance sheet of M/s. OM METALS INFRA PROJECT GROUP, (Formerly known as Om Metals Limited) as at 31.03.2006, the consolidated profit and loss account for the year ended on that date and also the consolidated cash flow statement of the company for the year ended on that date annexed thereto. These financial statement are the responsibility of the Om Metals Infracorproject'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 principal 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. We have not audited the financial statements of subsidiary and joint venture of Om Metals Infracorprojects, whose financial statements (to the extent of the group's proportionate share) reflect total assets of Rs.989.61 Lacs as at 31.03.206, total revenue of Rs. 2862.35 Lacs, and net cash inflows amounting to Rs.514.98 lac, 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 venture, is based solely on the report of other auditors.
4. we report that the consolidated financial statements have been prepared by the Om Metals's management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements, Accounting Standard(AS) 23, financial reporting of interests in joint venture issued by the Institute of Chartered Accountants of India.
5. 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.
 - a) in the case of the consolidated balance sheet, of the State of affairs of the Om Metal Group as at 31.03.2006 and.
 - b) in the case of the consolidated profit and Loss account, of the consolidated profit for the year ended on that date and
 - c) 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
Sd/-

S.K. MAHIPAL
Partner
M No. 70366

Place : Kola
Dated : 30-06-2006



OM METALS INFRAPROJECTS LTD.

CONSOLIDATED BALANCE SHEET OF OM METALS INFRAPROJECTS LIMITED

WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE AS AT 31ST MARCH, 2006

PARTICULARS	SCHEDULE	FIGURES AS AT 31-03-2006	FIGURES AS AT 31-03-2005
SOURCES OF FUNDS:			
SHARE HOLDER'S FUNDS:			
Share Capital	I	56191150.00	56191150.00
Reserve & surplus	I	402547537.54	215078123.48
		458738687.54	271269273.48
LOAN FUNDS:			
Secured Loans	II	262931395.43	197442031.29
Unsecured Loans	IV	3276558.00	996560.00
		266207953.43	198438591.29
Minority Interest			64892.17
DEFERRED TAX LIABILITIES (NET)	V	21346770.00	23637487.00
TOTAL SOURCES OF FUNDS		746293410.97	493410243.94
APPLICATION OF FUNDS:			
FIXED ASSETS:			
Gross Block	VI	500091588.37	418663622.92
Less : Depreciation		121595508.59	98461160.72
		378496079.78	320202462.20
Add : capital work in progress (including advance against capital expenditure Rs. 226.90 Lacs) (In previous year Rs. 186.90 Lacs)		38358723.00	62196478.15
		416854802.78	382398940.35
Investments	VII	9932825.03	7674050.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	VIII	177853103.49	117099558.83
Sundry debtors		128393888.98	112226769.12
Cash & bank balance		582397921.51	304414213.98
Loans & advances		109124955.64	85962387.27
		997769869.62	619722929.20
LESS : CURRENT LIABILITIES & PROVISION	IX	678336803.28	516458392.43
		319433068.34	103264536.77
Macellaneous Exp (To the extent not written off or adjusted)	X	72716.82	72716.82
TOTAL APPLICATION OF FUNDS		746293410.97	493410243.94
NOTES TO ACCOUNTS	XVII		

As per our Report of even date annexed

FOR M.C.BHANDARI & CO.
Chartered Accountants
Sd/-

S.K. MAHIPAL
Partner
M No 70386

Place : Kota
Dated : 30-06-2006

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-
T.C.KOTHARI
(Chairman)
Sd/-
C.P.KOTHARI
(M Director)
Sd/-
D.P.KOTHARI
(Director)



**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, 2006**

PARTICULARS	SCHEDULE	2005-06 (RS.)	2004-05 (RS.)
INCOME :			
Sale of products, erection & escalation receipt & sale of flats of Engg. Division		648471397.54	379934991.7
Less : Excise duty		5367038.00	5667617.00
		643104359.54	374267374.73
Guest accomo. rest. canteen food & beverage receipt		48874082.82	33997363.53
Receipt from film distribution and exhibition		36985426.00	44046539.60
Sales of passenger cars and its spare parts		282514400.41	0.00
Other Income	XO	101796699.82	17317037.07
Increase (decrease) in stock of finished goods & goods in process.	XI	70618044.27	2298310.79
TOTAL		1183893012.86	471927625.72
EXPENDITURE :			
Material consumed prov & beverage/ Trading	XII	640281942.92	219793413.13
Purchases			
Payments to & prov. for employees	XIV	35025998.70	27777138.20
Mfg. operating, upkeep house exp. & film dist.	XV	145127589.94	100041077.98
Administrative & selling expenses	XVI	61144479.19	37628058.59
Financial expenses	XVII	27884346.21	20792748.56
		909464356.96	406032436.46
Profit before taxation & depreciation		274428655.90	65895189.26
Less : Depreciation		30378804.01	16298369.72
Less : Dep. tr. to revaluation reserve		457720.40	499008.00
		29921083.61	15799361.72
Profit after depreciation		244507572.29	50095827.54
Less : Provision for income tax		21400380.00	3850000.00
Less : Provision of Fringe benefit tax		2342652.00	0.00
Add : Deferred tax liabilities \ assets		2290717.00	13828722.00
Profit after tax		223055257.29	32317105.54
Balance b/f from last year		145484148.81	137984900.27
Share in loss of Minority Interest in Subsidiary Co.		175134.82	110242.65
Balance available for appropriation.		368714540.92	170412248.46
APPROPRIATIONS			
Dividend on equity Shares		16857345.00	5619115.00
- Interim		11238230.00	11238230.00
- Final		3940412.00	2310512.00
Corporate dividend Tax		22500000.00	5650000.00
Transfer to General Reserve		314178553.92	145594391.46
Balance carried to balance sheet		368714540.92	170412248.46
		3.97	0.58

Basic and Diluted Earning per Share * Rs.
 * Face value per share Rs. 1/- each (In previous year face value per share Rs. 10/- each)
 Ref. Note No. (4) in schedule XVIII
NOTES TO ACCOUNTS
 Signed in terms of our report of even date annexed

XVIII

FOR M.C. BHANDARI & CO.
 Chartered Accountants
 Sd/-

S.K. MAHIPAL
 Partner
 M.No. 70366

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-
T.C.KOTHARI
 (Chairman)
 Sd/-
C.P.KOTHARI
 (M. Director)
 Sd/-
D.P.KOTHARI
 (Director)

**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, 2006****SCHEDULE - I**

PARTICULARS	FIGURES AS AT 31-03-2006	FIGURES AS AT 31-03-2005
<u>SHARE CAPITAL :</u>		
<u>AUTHORISED</u>		
80000000 Equity Share Of Rs.1/- each (80000000equity share of Rs. 10/- each in previous year)	80000000.00	80000000.00
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
56191150 Equity Share Of Rs.1/- each (5619115equity share of Rs. 10/- each in previous year)	56191150.00	56191150.00
TOTAL	56191150.00	56191150.00

- Note :-
- (1) Out of above issued, subscribed and paid up capital includes 1956,800 nos. and 2298,600 nos. of fully paid Equity Share of Rs.10/- each were allotted as bonus share in the year 1992 - 93 and 1994 - 95 respectively by capitalisation of reserves and Profit & Loss Account).
 - (2) 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.



**CONSOLIDATED SHEDULE OF OM METALS
INFRAPROJECTS LIMITED WITH ITS**

**SUBSIDIARY COMPANY AND JOINT VENTURES
ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT 31st March,2006

SCHEDULE - II

Particulars	As at		As at	
	31-03-2006	31-03-2006	31-03-2005	31-03-2005
<u>RESERVES AND SURPLUS</u>				
<u>A. REVALUATION RESERVE</u>				
As per last balance sheet	8673932.19		9172940.19	
Less: - Transferred to P & L A/c	457720.40		499008.00	
Less :- Deduction on sale/discarding of revalued assets	3157028.00	5059183.79	0.00	8673932.19
<u>B. CAPITAL RESERVE</u>				
As per last Balance sheet	7395199.83		2470584.83	
Add:- Transferred from capital subsidy	0.00	7395199.83	4924615.00	7395199.83
<u>C. CAPITAL SUBSIDY</u>				
As per last balance sheet	0.00		4924615.00	
Less:- Transferred to capital reserve	0.00	0.00	4924615.00	0.00
<u>D. SHARE PREMIUM</u>				
As per last balance sheet	44764600.00		44753992.00	
Add:- Received during the year	0.00	44764600.00	10608.00	44764600.00
<u>E. GENERAL RESERVE</u>				
As per last balance sheet	8650000.00		3000000.00	
Add:- Transferred from P & L A/c	22500000.00	31150000.00	5650000.00	8650000.00
<u>F. SURPLUS</u>				
(Profit as per profit and loss account annexed)		314178553.92		145594391.46
TOTAL		<u>402547537.84</u>		<u>215078123.48</u>



OM METALS INFRAPROJECTS LTD.

CONSOLIDATED SCHEDULE OF OM METALS INFRAPROJECTS LIMITED

WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE
ANNEXED TO AND FORMING PART OF BALANCE SHEET

AS AT 31st MARCH, 2006

SCHEDULE - III

PARTICULARS	FIGURES AS AT	FIGURES AS AT
	31-03-2006	31-03-2005
SECURED LOANS :		
a) TERM LOAN :		
From SBBJ	110721230.57	128859056.63
See note No.1 (a)		
From Others banks	6763496.08	2797435.07
See note No.1(b)		
SUB-TOTAL	117484726.65	131656491.70
b) WORKING CAPITAL LOAN		
From Banks (Rupee loan)	71693356.38	16366171.59
(See note No.2)		
From Banks (F.currency loan)	0.00	48182000.00
(See note No.2)		
c) Short Term Loan against FDR from Bank	73753312.40	1237368.00
(See note No.3)		
SUB-TOTAL	145446668.78	65785539.59
TOTAL	262931395.43	197442031.29

Note :

- (i) Term Loan includes Rs. 354.79 Lacs due with in a year (Previous year Rs.292.85 lacs)
- (ii) * including foreign currency loan of Rs. Nil (Previous year Rs. 481.82lacs) repayable in Indian currency.

Note :

- (a) Secured by way of equitable mortgage of lease of land belonging to M/s Om Structural India Pvt. Ltd. & Om Kothari Parivarik Trust , Sah Buildcon Pvt. Ltd. & Richa Builders Pvt. Ltd. under an agreement and hyp. of Plant & Machinery and others assets of hotel cum revolving rest at Jaipur and



equitable mortgage of lease hold land & building of multiplex Division at Kota and lease hold land located at VKI jaipur and hyp. of Plant & Machinery and other assets of the above said divisions and further secured by way of personal guarantees of shri T.C.Kothari C.P.Kothari & Shri D.P.Kothari directors of the company.

(b) Secured by way of Hyp. of vehicles financed by other banks.

2 Working capital loans are secured by way of hypothecation of raw material, finished goods, stores & spares, food & beverage, liquor and book debt's 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 and second charges (except on which secured loans taken from banks and other parties etc. by way of mortgage/ hypothecation of all the immovable / movable properties of the Company's) & personal guarantees of the Shri T.C.Kothari , Shri C.P.Kothari and Shri D.P.Kothari Directors of the company and further secured by way of equitable mortgage of land & building belonging to Om Kothari Cement & Chemicals (P) Ltd., Jupiter Metals (P) Ltd. ,Om Rajasthan Carbide Ltd. , jupiter Mfg. Pvt. Ltd. and Om Structural (India) Pvt.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 guarantee of the Company and collateral securities as mentioned above (2) and personal guaranteed of the directors of the Company and collateral securities as mentioned above (2) & 3 on ranking pari-passu basis inter se between the lender .

SCHEDULE - IV

PARTICULARS

**FIGURES AS AT
31-03-2006**

**FIGURES AS AT
31-03-2005**

UNSECURED LOANS :

1.	From RIICO LTD. (sales tax Intt. Free loan)	175720.00	996560.00
2.	Inter corporate loan	3100838.00	0.00
TOTAL		3276558.00	996560.00

Note : Rs. 1.76 Lacs due with in year(previous year Rs.6.96 lac)

SCHEDULE - V

DEFERRED TAX LIABILITIES AND ASSETS

DEFERRED TAX LIABILITIES

Depreciation	22290653.00	24584490.00
	22290653.00	24584490.00

DEFERRED TAX ASSETS

Provision for gratuity & leave encashment	676800.00	679920.00
Capital Loss & Others	267083.00	267083.00
	943883.00	947003.00
Deferred Tax Liabilities	21346770.00	23637487.00



equitable mortgage of lease hold land & building of multiplex Division at Kota and lease hold land located at VKI Jaipur and hyp. of Plant & Machinery and other assets of the above said divisions and further secured by way of personal guarantees of Shri T.C.Kothari C.P.Kothari & Shri D.P.Kothari directors of the company.

- (b) Secured by way of Hyp. of vehicles financed by other banks.
2. Working capital loans are secured by way of hypothecation of raw material, finished goods, stores & spares, food & beverage, liquor and book debt's 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 and second charges (except on which secured loans taken from banks and other parties etc. by way of mortgage/ hypothecation of all the immovable / movable properties of the Company's) & personal guarantees of the Shri T.C.Kothari, Shri C.P.Kothari and Shri D.P.Kothari Directors of the company and further secured by way of equitable mortgage of land & building belonging to Om Kothari Cement & Chemicals (P) Ltd., Jupiter Metals (P) Ltd., Om Rajasthan Carbide Ltd., Jupiter Mfg. Pvt. Ltd. and Om Structural (India) Pvt.Ltd.
3. Secured by way of deposit of FDR.
4. In the case of Bank Guarantee Limits, it is secured by way of deposit of FDR and counter guarantee of the Company and collateral securities as mentioned above (2) and personal guaranteed of the directors of the Company and collateral securities as mentioned above (2) & 3 on ranking pari-passu basis inter se between the lender.

SCHEDULE - IV

PARTICULARS	FIGURES AS AT 31-03-2006	FIGURES AS AT 31-03-2005
UNSECURED LOANS :		
1. From RIICO LTD. (sales tax Intt. Free loan)	175720.00	996560.00
2. Inter corporate loan	3100838.00	0.00
TOTAL	3276558.00	996560.00

Note : Rs. 1.76 Lacs due with in year (previous year Rs.6.96 lac)

SCHEDULE - V

DEFERRED TAX LIABILITIES AND ASSETS

DEFERRED TAX LIABILITIES

Depreciation	22290653.00	24584490.00
	22290653.00	24584490.00

DEFERRED TAX ASSETS

Provision for gratuity & leave encashment	676800.00	679920.00
Capital Loss & Others	267083.00	267083.00
	943883.00	947003.00
Deferred Tax Liabilities	21346770.00	23637487.00



**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, 2006

Fixed Assets

SCHEDULE-VI

PARTICULARS	AS AT 31-03-2005	ADDITIONS	SALES/ TRANSFER	TOTAL COST AS AT 31-03-2006	DEPRECIATION UP TO 31-03-06	DEPRECIATION DURING THE YEAR		TRANSFER WRITTEN BACK	TOTAL DEPRE- CIATION	W. D. V. 31-03-2006	W. D. V. 31-03-2005
Lease hold land including Tenancy right	42189309.31	4803501.00	298329.31	46694481.00	483208.74	0.00	0.00	0.00	483208.74	46211272.26	41700100.57
Agriculture Land	521761.50	0.00	0.00	521761.50	0.00	0.00	0.00	0.00	0.00	521761.50	521761.50
Building/ Temp. Labour Quater Shed	191762140.92	61426097.37	10007705.45	243180532.84	22341161.60	14723083.69	5027883.62	1807043.90	30036541.47	211143991.37	169420979.32
Plant & Machinery	127836666.78	17696825.70	5123352.00	140409140.48	52658158.37	86306294.37	1907043.90	0.00	59287408.84	81121731.64	75178508.41
Electrical Fitting	10079457.62	2112069.00	0.00	12191546.62	983577.79	847060.23	0.00	0.00	1830658.02	10090898.60	9095879.83
Office Equipments	5481707.80	412377.00	118806.00	5774278.80	3117508.13	362029.70	63573.14	3415964.69	3415964.69	2356314.11	2364199.67
Furniture & Fixture	23161136.11	2446123.00	206566.96	25400922.15	7274277.87	2255651.43	179500.28	0.00	9350429.02	16050283.13	15986858.24
Computer	1485433.83	1175622.00	0.00	2661055.83	626429.06	665618.47	0.00	0.00	1312247.53	1348808.30	859004.77
Vehicle	14533925.14	6981551.10	199455.00	21316021.24	9850507.14	2849631.47	66455.00	0.00	12673683.61	8642337.63	4643416.00
A.C./ Cooler	1612083.91	329694.00	0.00	1942077.91	1086332.02	119034.65	0.00	0.00	1205366.67	736711.24	525751.89
TOTAL	418663622.92	97383160.17	16666214.72	500091888.37	98461160.72	30378804.01	7544456.14	12159508.59	378496079.76	320202462.20	



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, 2006

SCHEDULE - VII

Particulars	No.	Face Value	Balance As At	
			31-03-2006	31-03-2005
1. LONG TERM INVESTMENTS :				
(Government and other securities (unquoted)				
National Saving Certificate (Deposited with in Sales Tax Dept. interest is to be adjusted on realisation)			14000.00	13000.00
(a) OTHER INVESTMENTS (UNQUOTED)				
Ordinary Share (Fully paid up)				
Om Kothari Enterprises Ltd.	759501	7595010.00	7595010.00	7595010.00
Raheja Build P. Ltd.	1250	12500.00	12500.00	0.00
	760751.00	7607510.00	7621510.00	7608010.00
(b) 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
1130	1130.00	11300.00	61040.00	61040.00
(c) OTHER SECURITIES (QUOTED)				
Indian Petro Chemicals Ltd. (Debenture)	100	5000.00	5000.00	5000.00
	100	5000.00	5000.00	5000.00
(d). Investment in J V /Partnership/Subsidiary				
Om Metals Consortium (Capital contri.)(Net)			2014898.50	0.00
(Refer note no-24)				
	0	0.00	2014898.50	0.00
2. CURRENT INVESTMENTS				
ABN Amro Mutual Fund	20000	200000.00	230376.53	0.00
	20000.00	200000.00	230376.53	0.00
Grand Total			9932825.03	7674050.00

NOTE:

1. Aggregate Book Value Securities	Quoted	2.96	0.66
	Unquoted	78.77	78.63
	Market price -quoted	4.06	2.96



OM METALS INFRAPROJECTS LTD.

CONSOLIDATED SCHEDULE OF OM METALS INFRAPROJECTS LIMITED WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE

ANNEXED TO AND FORMING PART OF BALANCE SHEET

AS AT 31st MARCH, 2006

SCHEDULE - VIII

Particulars	Figures as at 31-03-2006	Figures as at 31-03-2005
<u>CURRENT ASSETS, LOANS & ADVANCES :</u>		
1		
INVENTORIES		
RAW MATERIAL & STORES		
i) Raw material, accessories & components food beverage & liquor	39443968.43	52944901.41
ii) Store & spares and coal	70601.00	11600.00
iii) Goods in transit	0.00	1631771.00
FINISHED GOODS		
i) Fabricated goods, car and others	14137695.95	8961104.63
WORK IN PROGRESS		
i) Engineering division including real estate building	118825889.11	34081678.02
ii) Others	5374949.00	19468503.77
SUB TOTAL (A)	177853103.49	117099558.83
2		
SUNDRY DEBTORS		
Debtors for which Company held no Security other than personal security of Debtors.		
a) Debtors outstanding for a period exceeding 6 months. Considered Good	52088809.88	79572476.7
b) Other Debtors (Considered Good)	66305079.10	32654292.42
SUB TOTAL (B)	128393888.98	112226769.12



Particulars	Figures as at 31-03-2006	Figures as at 31-03-2005
3. CASH & BANK BALANCE		
a) Cash on hand	3139714.86	6029847.58
b) Balances with Scheduled Banks		
i) On Current Account	216686313.95	12230143.94
ii) On Fixed Deposit Receipts and in margin account. (includes FDR Rs 396.55 lacs lien with banks against B.G./LC Issued by the Banks.)	352387431.41	285482637.48
iii) Interest accrued on FDR	10184461.29	671564.98
SUB TOTAL (C)	582387921.51	304414213.98
4. LOANS AND ADVANCES		
Unsecured (Considered good unless otherwise stated)		
(1) Loans		
(i) Corporate Loans	632335.00	11241779.00
(ii) Others to staff	186435.00	279815.10
(2) Advances recoverable in cash or in kind or for value to be received	28282714.86	30837157.44
(3) Advance against development of port	6990953.67	0.00
(4) Balance with customs & central excise authorities etc.	552767.00	951218.00
(5) Deposits	30924368.06	25052334.06
(6) Income taxes paid including FBT	41555382.05	17620083.67
SUB TOTAL (D)	109124955.64	85982387.27
GRAND TOTAL (A+B+C+D)	987769889.62	619722929.20



OM METALS INFRAPROJECTS LTD.

CONSOLIDATED SCHEDULE OF OM METALS INFRAPROJECTS LIMITED

WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE
ANNEXED TO AND FORMING PART OF BALANCE SHEET

AS AT 31st MARCH, 2006

SCHEDULE - IX

Particulars	Figures as at 31-03-2006	Figures as at 31-03-2005
<u>CURRENT LIABILITIES & PROVISIONS</u>		
1. <u>CURRENT LIABILITIES</u>		
(i) <u>SUNDRY CREDITORS</u>		
For Goods		
- Total out standing dues of S.S.I undertaking for goods & others	476014.00	521451.07
- Total out standing dues of Creditors other than S.S.I	87465324.95	51016105.91
- For Expenses & other Liabilities	28548578.51	17576271.26
(ii) For Capital Goods	12119107.00	12091000.15
(iii) Government dues	8208405.59	1280125.31
(iv) Advance & Security deposit from Customers and JSC Ukrain JV	492877731.33	403823684.73
(v) Unclaimed statutory liabilities (as referred in sec 205 C of the Companies Act, 1956) Unclaimed dividend	214956.90	483.00
SUB TOTAL	629910118.28	486309121.43
2 <u>PROVISIONS</u>		
(i) For Taxation	31274947.00	9857701.00
(ii) For F B T	2326652.00	0.00
(iii) For Gratuity	1770680.00	1610223.00
(iv) For Leave Encashment	240014.00	247840.00
(v) Proposed final dividend on Equity Shares	11238230.00	16857345.00
(vi) Tax on proposed dividend	1576162.00	1576162.00
SUB TOTAL	48426685.00	30149271.00
GRAND TOTAL	678336803.28	516458392.43



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 1151.04 Lacs (in previous year Rs. 3941.34 Lacs)

SCHEDULE - X

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Public Issue Expenses or pre./preop. of sub.co.

Less : 1/10th written off during the year

TOTAL

72716.82

307924.76

0.00

235207.94

72716.82

72716.82

SCHEDULE - XI

PARTICULARS

2005-06

2004-05

(RS.)

(RS.)

OTHER INCOME

Interest (Gross)

20530849.82

3800223.05

Claims (Including interest of Rs. 4.24 crore thereon)

89802720.00

221080.00

Rent and hire charges

3562250.00

2056000.00

Miscellaneous receipts

3075385.16

4460743.02

Transportation receipts

2172159.48

6683991.00

Profit on sale of fixed assets

1251845.38

0.00

Drawing and design receipt

1379000.00

95000.00

Excess Provision written back

22510.00

0.00

Total

101796699.82

17317037.07

SCHEDULE - XII

INCREASE (DECREASE) IN STOCKS OF FINISHED

GOODS AND GOODS IN PROCESS

OPENING STOCK

Finished Goods

8795359.00

16358290.00

Work in Progress

53550181.79

43667940.00

SUB TOTAL

62345540.79

60045230.00

CLOSING STOCK

Finished Goods

14137695.95

8795359.00

Work in Progress

116825889.11

53550181.79

SUB TOTAL

132963585.06

62345540.79

INCREASE (DECREASE) IN STOCK

70618044.27

2299310.79



OM METALS INFRAPROJECTS LTD.

CONSOLIDATED SCHEDULE OF OM METALS INFRAPROJECTS LIMITED

WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE
ANNEXED TO AND FORMING PART OF PROFIT AND LOSS A/C

FOR THE YEAR ENDED ON 31st March, 2006

SCHEDULE - XIII

Particulars	2005-06 (Rs.)	2004-05 (Rs.)
<u>CONSUMPTION OF MATERIAL, PROVISION & BEVERAGE/TRADING ACTIVITIES</u>		
Opening Stock	53095410.82	17175344.86
Add : Purchases including accessories & bought out item / semi finished, food & beverage & liquor	315385022.78	254938407.09
SUB - TOTAL	368480433.60	272113751.95
Less : Closing Stock	39443968.43	53095410.82
	329036465.17	219018341.13
Purchases of finished goods / parts for trading activities	311245477.75	775072.00
TOTAL	640281942.92	219793413.13

Note :

* Includes Rs.94.64 lacs on a/c of land transferred from fixed assets for carrying of business of housing in previous year.

SCHEDULE - XIV

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages, Bonus & Allowances and Gratuity etc.	31724801.95	25275979.50
Contribution of PF, ESI scheme	1288496.85	917171.70
Employee Welfare Exp. Including compensation	2012699.90	1583987.00
TOTAL	35025998.70	27777138.20



**CONSOLIDATED SCHEDULE OF OM METALS
INFRAPROJECTS LIMITED**

**WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE
ANNEXED TO AND FORMING PART OF PROFIT AND LOSS A/C**

FOR THE YEAR ENDED ON 31st March, 2006

SCHEDULE - XV

Particulars	2005-06 (Rs.)	2004-05 (Rs.)
<u>MANUFACTURING OPERATING & UPKEEP SERVICE</u>		
<u>HOUSE & FILM DISTRIBUTION EXPENSES</u>		
Power, fuel & water expenses	17561116.34	10888605.84
Stores, Spares & Tools Consumed.	20687916.66	10862266.10
Job & other work exp. including drawing & design	38390092.90	33298464.30
Rent/Hire charges for machinery, vehicle & building	39694392.00	5350024.00
Transportation Expenses	7821645.00	4570834.30
<u>REPAIRS & MAINTENANCE</u>		
i) To Machinery	2388087.66	2275083.23
ii) To Building	1956721.00	945282.51
Insurance Expenses	1960923.48	843769.80
Film hire & other charges for display/exhibition	12091382.00	13904572.80
Film Purchase for distribution	0.00	14956986.00
House up-keeping & other hotel / rest. exp.	1500062.40	928765.40
linen, wares & cutlary, groceries & laundry expenses	1075250.50	1216423.70
TOTAL	145127589.94	100041077.98



OM METALS INFRAPROJECTS LTD.

CONSOLIDATED SCHEDULE OF OM METALS INFRAPROJECTS LIMITED

WITH ITS SUBSIDIARY COMPANY AND JOINT VENTURE
ANNEXED TO AND FORMING PART OF PROFIT AND LOSS A/C

FOR THE YEAR ENDED ON 31st March, 2006

SCHEDULE - XVI

<u>PARTICULARS</u>	<u>2005-06</u> <u>(RS.)</u>	<u>2004-05</u> <u>(RS.)</u>
<u>ADMINISTRATIVE & SELLING EXP.</u>		
Remuneration to directors	3120000.00	1140000.00
Rent, rates & taxes	3569059.64	2713128.00
Telephone, telex & postage	4797402.29	3508156.98
Travelling & conveyance expenses	11453124.61	8819464.15
Legal, consultancy, retainership, professional arbitration expenses	8047503.05	4854024.80
General repairs	1620239.00	340425.75
Vehicle running & maintenance	4411730.70	3544732.78
Miscellaneous expenses	11560333.86	5868000.64
Audit fees	198578.00	155000.00
Charity & donation	1384000.00	281950.00
Advertisement	2528809.92	652372.57
Tender & sales liaisoning Exp.	2192819.06	486337.15
Public Issue exp. written off	0.00	235207.94
Claims / rebate & discount exp.	3137793.40	1688768.08
Franchises / management exp.	1228475.66	1283255.00
Keyman insurance	1894610.00	1896234.00
TOTAL	61144479.19	37628068.88

SCHEDULE - XVII

FINANCIAL EXPENSES

Bank Commission & Other Charges

8052090.75

7923965.64

INTEREST PAID TO BANKS

- a) On Term Loan
b) On working capital/others/project Authority

10582013.71

7196429.74

9250241.75

5672953.28

TOTAL

27884346.21

20792748.66



SCHEDULE ANNEXED TO AND FORMING PART OF
CONSOLIDATED BALANCE SHEET AS AT 31.03.2006 AND
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED ON THAT DATE

SCHEDULE - XVIII

CONSOLIDATED NOTES TO THE ACCOUNTS :

A. STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

- (i) The consolidated financial statements (CFS) relates to Om Metals Infraprojects Limited (Formerly known as Om Metals Limited) and its subsidiary and joint venture (hereinafter referred as the "Group")

(ii) **ACCOUNTING CONVENTION :**

The financial statements are prepared under the historical cost convention as modified to include the revaluation of land, building & 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 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.

PRINCIPLE OF CONSOLIDATION

The consolidated financial statements are prepared in accordance with the applicable Accounting Standards on the following basis.

- (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 subsidiary 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) Minorities' interest in net profit of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive 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 31st march, 2006).

FIXED ASSETS AND DEPRECIATION :

- (a) Fixed Assets (Assets acquired in Engg. Division of Om metals Infraprojects Limited which have been revalued and are stated at revalued figure) are stated at cost net of cervat less accumulated depreciation. 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 up to 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. of Om Metals Infraprojects Limited and Om Metals Auto Pvt. Ltd (A subsidiary company) 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 in Om Metals Infraprojects Limited which are depreciated for a full year.
- (e) Free hold land and lease hold land are not depreciated except multiplex division of Om Metals Infraprojects Limited.
- (f) Capital assets whose ownership does not vest with the company have been depreciated as per column no. (3) (b) above.

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.



OM METALS INFRAPROJECTS LTD.

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)
- (b) Process Stocks : Direct cost i.e. raw material, labour cost and other appropriate share of overheads etc on estimated basis of job done.
- (c) Finished Goods : Cost or net realizable value* , which ever is lower. The bases of determining cost which also includes taxes and duties wherever applicable.

d) HOTEL DIVISION OF OM METALS INFRAPROJECTS LIMITED :

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

e) Vehicle/Car are valued at cost or net realizable value which ever is lower.

* 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.

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 :

At the year - end , monetary items denominated in foreign currencies are converted into rupee equivalents of the year - end exchange rates.

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 :

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate of the date transaction is recognised as income or expense 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.

REVENUE RECOGNITION :

a) Engineering Division of Om Metals Infraprojects Limited :

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) Sales comprises sales of goods, room sales & sales of ticket etc. and excluding sales tax . It is being accounted for net of return/ discount/claims .

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

INVESTMENTS :

Long Term Investments are stated at cost unless there is a permanent fall in value there of. Current investments are stated at cost or net realizable value which ever is less.

9. MISCELLANEOUS EXPENDITURE (To the extent not written off or : adjusted) Miscellaneous expenditure such as preliminary expenses, pre operative expenses are amortized over a period of 5 years and public issue expenditure are amortized over a period of 10 years.

10. RESEARCH & DEVELOPMENT :

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

11. 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.



12. INCOME TAX :

- (a) **Current Tax :**
The income tax liability provided in accordance with the provisions of the Income Tax Act, 1961.
- (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 liabilities provided in accordance with the provision of the Act.

13. 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, not been done)
- (c) **Leave Salaries :**
Provision is made for value of unutilized leave due to employees at the end of the year.

14. 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.

15. 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.

B. 1. CONTINGENT LIABILITIES NOT PROVIDED FOR :

(RS. IN LACS)

S.No.	Particulars	As at 31.03.2006	As at 31.03.2005
i)	Outstanding bank guarantee *	7872.88	6140.17
ii)	Letter of credits accepted	1386.99	505.13
iii)	Claims against the Company not acknowledged a debt relating to supplies and service matters including counter claims of project authorities.	1408.25	1359.40
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 17 below.)	196.29	133.11

Based on favourable 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 (ii) & (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 ventures/partnership firm.

(Rs. in Lacs.)

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

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

2. Estimated amount of contracts remaining to be executed (capital commitments) net of advances on capital account and not provided for Rs. 524.14 lacs (Rs. 382.05 lacs in the previous year)
3. Claims raised by the Company with various project authorities/ other parties amounting to Rs.6831.94 lacs (Rs. 6587.43 Lacs in previous year) . against these claims, the company has received arbitration awards of Rs.1063.37 lacs (Previous year Rs. 1190.55 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 .



OM METALS INFRAPROJECTS LTD.

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

S.No.	Particulars	2006	2005
i)	Calculation of weighted average number of face value of equity shares of Rs. 1 each (Rs. 10/- each in previous year)		
ii)	No. of shares at the beginning of the year.	56191150	56191150
iii)	Net Profit after Tax available for equity shares holders (Rs.)	223230391	32427348
iv)	Basic and diluted earning per shares (Rs.)	3.97	0.58

The equity shares of the face value of Rs. 10/- each were sub divided in to 10 equity shares of Rs. 1/- each with effect from 05-08-2005. In accordance with the requirements of Accounting Standards (AS) 20, "Earning per share" issued by the Institute of Chartered Accountants of India, earning per share for previous year has been restated based on weighted average number of equity share after considering the enhanced equity shares capital post share split.

16. SEGMENT REPORTING :

a) 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 business segments include the main segment is 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, Hotel Cum revolving restaurant division of Om Metals Infraprojects Limited Sales of passenger cars and its services in subsidiary company.

b) Geographical segments :

Since the company's activities/operations are primarily within 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.

c) Segment accounting policies :

In addition to the significant accounting policies applicable to the business segment as set in note 1 above, 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 while most of the assets/liabilities can be directly attributed to individual segments.

iii) Inter segment sales :

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

* (Information about business segment annexed separately)

17. 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 at 31st March 2006 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 :

Party	Relationship
Om Metal Auto (P) Limited	Subsidiary
Om Structurals India (P) Limited (OSIPL)	Promoter holding more than 20%
Om Rajasthan Carbide Limited	
Om Kothari Cement & Chemicals (P) Limited	
Om Kothari Steel & Alloys Limited	
Richa Builders (P) Ltd.	
SAH Build con (P) Ltd.	
Lambodar Finvest (P) Ltd.	
Om Kothari Enterprises Limited	
Jupiter Mfg. Co. (P) Ltd.	



Om Kothari Pariwarik Trust Om Kothari Foundation Well Wisher Construction & Finance (P) Ltd. Luhadia construction (P) limited Kundan Mal Mukand Mal traders (P) Limited Hingiri Dealoom (P) Limited Om Transport Corporation Om Adirath Co. (P) Limited Om Power Corporation Limited Benzer Agencies Limited Bahubali Housing Co. (P) Limited	
1) OML+ JSC. Ukrain (JV) Kameng 2) Om Metals Consortium	Joint Venture Partnership firm

Key Management persons Mr. T.C. Kothari Mr. C.P. Kothari Mr. D.P. Kothari Mr. P.C. Jain Mr. Kamal Chand Chandwar	Directors
Relatives of Key management persons Mr. Vivek Kothari Mrs. C. Manjula Kothari Mrs. D. Manjula Kothari Mrs. Seema Kothari Mrs. Anita Kothari Mr. Sunil Kothari Mr. Vikash Kothari M/s C.P. Kothari & Sons	Relative of directors

Note :- The transactions relating to reimbursement of actual expenses to/from related parties have not been considered above.

18. AS -2 and change in accounting policy

Hitherto, the company was valuing closing stock of finished goods in engineering division of Om metals Infraprojects Limited at contract/selling price. As per requirement of AS-2, the company has changed the method of valuation of the finished goods in Engineering division from contract/selling price to cost or net realizable value which ever is lower. As a result of such change, the profit for the year, reserve & surplus and stocks are decreased by Rs.2.69 lacs.

19. As the Company operates the hotel in Om Metals Infraprojects limited, it is not practical to give the quantitative wise details in respect of purchases, consumption, turnover and stock etc. The company filed an application on dated 22.05.2006 to Central govt. for the exemption to disclose the quantitative details.

20. The subsidiary company used two cars cost of Rs. 27.80 Lacs as demo cars. These cars taken in inventory as on 31.03.2006.

21. Om Metals Infraprojects Limited has taken lease hold land on sub lease basis from Om Structuralis India (P) Limited at Kota and from Om Structuralis India (P) Limited, Om Kothari Pariwarik Trust, Shah build con (P) Limited and Richa builders (P) Limited at Jaipur under an agreement for construction of work shop shed and other building at Kota and Hotel cum revolving tower at Jaipur with stipulation that building with fixtures shall be handed over after expiry of lease period on WDV cost and W.D.V. of building and fixtures shall be recovered.

22. Advance for Capital goods in Om Metals Infraprojects Limited 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.

23. Expenses relating to earlier year amounting to Rs. 3.72 lacs debited to misc & respective expenses head.

24. The Om Metals Infraprojects Limited Group comprises of the following entities:-



OM METALS INFRAPROJECTS LTD.

Name of the group company	Country of incorporation	% of ownership as at 31.03.06	% of ownership as at 31.03.05
a) Subsidiary			
Om Metals Auto Pvt. Ltd.	India	51%	51%
b) Joint venture			
Omi+JSC Ukrain, Kameng	India	60%	
c) Partnership Firm			
Om Metals Consortium (PF)	India	35%	

NOTE :-

- a) Om Metals consortium is a partnership firm. Following are partner & their share ratio in profit/loss are as per partnership deed dated 14.11.2005

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

- b) Figures of Om Metals Consortium are unaudited .
c) Share of profit in Om Ray (JV) surrendered on 31.03.06. Therefore relevant figures are not taken in consolidation.
25. Figures pertaining to the subsidiary and joint venture company have been reclassified wherever considered necessary to bring them in line with the company's financial statements.
26. Previous year's figures have been regrouped and/or rearranged wherever necessary to confirm to this year's classifications.

AS PER OUR REPORT OF EVEN DATE
FOR M.C.BHANDARI & CO.
Chartered Accountants
Sd/-

S.K. MAHIPAL
Partner
M.No. 70366

Place : Kota
Dated : 30-06-2006

FOR OM METALS INFRAPROJECTS LIMITED
Sd/-
T.C.KOTHARI
(Chairman)
Sd/-
C.P.KOTHARI
(M. Director)
Sd/-
D.P.KOTHARI
(Director)

• INFORMATION ABOUT BUSINESS SEGMENTS :

Particulars	Rs. In Lacs												
	Om Metals Infraprojects Limited				Om Metals Auto P.Ltd.				Omt+JSc Ukrain				Total
	Engg. Div.		Multi plex Div.		Hotel & Res. Div.								
Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous
Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
(1) Segment Revenue:													
External sales/income (Net)	6431.04	3742.68	0.00	0.00	0.00	0.00	2633.26	0.00	0.00	0.00	9064.30	3742.68	
Income from services	0.00	0.00	424.75	489.80	469.43	311.44	191.89	0.00	0.00	0.00	1086.07	801.24	
Other receipt	777.55	151.14	0.00	0.00	0.00	0.00	2.52	0.00	0.00	0.00	780.07	151.14	
Inter segment sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Revenue	7208.59	3893.82	424.75	489.80	469.43	311.44	2827.67	0.00	0.00	0.00	10930.44	4695.06	
(2) Segment Results:													
Segments results	2230.04	566.16	210.44	87.80	70.20	19.18	14.91	0.00	0.00	23.02	0.00	2548.61	673.14
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
Operating profit before int.	2230.04	566.16	210.44	87.80	70.20	19.18	14.91	0.00	0.00	23.02	0.00	2548.61	673.14
Financial exp.	163.14	134.24	12.00	18.90	63.62	54.79	24.95	0.00	0.00	15.13	0.00	278.84	207.93
Interest income	171.30	38.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00	30.76	0.00	202.31	38.00
Income tax current	210.00	39.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	214.00	39.50
F B T	20.52	0.00	0.16	0.00	1.32	0.00	1.43	0.00	0.00	0.00	0.00	23.43	0.00
Deferred tax assets/Lia.	22.91	138.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.91	138.29
Net Profit	2030.59	292.13	198.28	68.90	6.26	-35.61	-11.47	0.00	0.00	7.89	0.00	2230.55	325.42





OM METALS INFRAPROJECTS LTD.

3 (i) Other Information:												
Segment Assets less C.Liab.	7420.68	7663.16	385.56	453.15	2172.87	1977.82	467.26	0.00	3799.20	0.00	14245.57	10094.13
Misc. Expenditure	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.73	0.00
Inter Branch	2924.54	1230.44	129.63	-58.96	-1421.96	-1171.48	-1.71	0.00	-1630.50	0.00	0.00	0.00
Unallocated assets												
Total Assets	10345.95	8893.60	515.19	394.19	750.91	806.34	465.55	0.00	2168.70	0.00	14246.30	10094.13
Segment Liabilities:												
Share Capital	561.91	561.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	561.91	561.91
Reserve & Surplus	3706.25	2045.89	372.35	174.07	-62.77	-68.03	0.00	0.00	7.89	0.00	4023.72	2151.93
Secured & Unsecured Loan	1601.33	1011.68	106.87	166.87	635.40	805.84	276.19	0.00	42.30	0.00	2662.09	1984.39
Segment liabilities	4261.24	5037.74	35.97	53.25	178.28	68.53	189.36	0.00	2118.51	0.00	6783.36	5159.52
Unallocated liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	213.47	236.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	213.47	236.38
Share of Minority interest	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.75	0.00
Total Liabilities	10345.95	8893.60	515.19	394.19	750.91	806.34	465.55	0.00	2168.70	0.00	14246.30	10094.13
(iii) Capital Expenditure												
Depreciation	225.78	77.00	16.38	35.99	56.33	45.01	0.72	0.00	0.00	0.00	299.21	158.00
Amortisation	0.00	2.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.35
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



OM METALS INFRAPROJECTS LTD.

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

Particulars	(Amount in Rs.)
Sources of funds :-	
Share holder funds :	0.00
Reserve & Surplus	789000.17
Secured Loans funds	4230113.83
Unsecured loan	0.00
Total :-	5019114.00
Application of funds :	
Gross Block	
Fixed assets	0.00
Less: Depreciation	0.00
Investment	0.00
Current Assets, Loans & Adv.	
Inventories	0.00
Sundry debtors	0.00
Cash & bank balance	50756328.00
Loans & advances	2274269.40
	53030597.40
Less: Current liabilities & prov.	146314980
	-93284382.60
Total Application of funds	-93284382.60
Income :	
Other Income	3076377.60
Total Income :	3076377.60
Expenditure :	
Admn. Selling	374400.00
Finance exp.	1512597.43
Depreciation	0.00
	1886997.43
Profit before taxation	1189380.17
Provision for F.B. Tax	0
Less: provision for taxation	400380
Profit after tax	789000.17

Note : previous year figures are not given. It is first year in the jointventure.
As per our report of even date annexed

FOR M.C.BHANDARI & CO.
Chartered Accountants
Sd/-

S.K. MAHIPAL
Partner
M No. 70366

Place : Kota
Dated : 30-06-2006

FOR OM METALS INFRAPROJECTS LIMITED

Sd/-
T.C.KOTHARI
(Chairman)
Sd/-
C.P.KOTHARI
(M Director)
Sd/-
D.P.KOTHARI
(Director)



OM METALS INFRAPROJECTS LTD

OM METALS INFRAPROJECTS LTD., JAIPUR CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

	31.3.2006	31.3.2005
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT AFTER DEPRECIATION	243769503.29	50095827.54
ADD:-		
DEPRECIATION	29921083.61	15799361.72
INTEREST & BANK COMMISSION PAID	26371748.78	20792748.58
PUBLIC ISSUE EXP. WRITTEN OFF	0.00	92625.94
SHARE OF LOSS FROM OM METALS INFRAPROJECTS	195037.00	
	300257372.68	86780563.76
LESS:-		
INTEREST RECEIPT	17454472.22	3800223.05
PROFIT ON SALE OF FIXED ASSETS	1251845.38	
	18706317.60	3800223.05
	0.00	
OPERAT. PROFIT BEFORE WORK CAP. CHANGES	281551055.08	82980340.71
	0.00	
	0.00	
ADJUSTMENT FOR		
TRADE & OTHER RECEIVABLES	-15992543.86	-57055868.21
INVENTORIES	-60753544.66	-39598809.97
LOANS & ADVANCES	2797769.04	-27331182.32
TRADE PAYABLES	39841019.54	38531169.88
OTHER PAYABLES	55499062.74	329616173.70
	302942817.88	327141823.79
	0.00	
ADD:- INTEREST & BANK COMMISSION PAID	-26371748.78	-20792748.56
DIRECT TAXES PAID	-23836315.00	-8072655.11
PROVISION OF GRATUITY & LEAVE	-5466484.00	144296.00
CASH GEN. FROM OPERATING ACTIVITIES	247268270.10	298420716.12
	(A) 247268270.10	298420716.12
(B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASES OF FIXED ASSETS	-97383261.07	-117980101.04
INCREASE IN CAPITAL WIP ADVANCES	23837755.15	-20437072.77
INVESTMENT	-2258775.03	1900000.00
SALE OF FIXED ASSETS	6805656.85	9592681.00
INTEREST RECD.	17454472.22	3800223.05
	(B) -51544151.88	-123379269.76
(C) CASH FLOW FROM FINANCING ACTIVITIES		
SECURED LOAN AS TERM LOAN	-14171765.05	68107134.29
SECURED LOAN AS WORK CAP.	75431015.36	17721765.48
UNSECURED LOAN	2279998.00	-569400.00
DIVIDEND TAX	-32035987.00	-734350.00
SHARE PREMIUM/SHARE CAPITAL	510608.00	
	(C) 31503261.31	85035757.77
OPENING CASH & OTHER EQUIVALENTS AS ON 1-4-05	304414213.98	44337009.85
ADD:-		
(A) CASH FLOW FROM OPERATING ACTIVITIES	247268270.10	298420716.12
(B) CASH FLOW FROM INVESTING ACTIVITIES	-51544151.88	-123379269.76
(C) CASH FLOW FROM FINANCING ACTIVITIES	31503261.31	85035757.77
CLOSING CASH & OTHER EQUIVALENTS AS ON 31-03-06	531641593.51	304414213.98

AUDITOR'S CERTIFICATE

I HAVE EXAMINED THE ABOVE CASH FLOW STATEMENT OF M/S. OM METALS INFRAPROJECTS LTD. FOR THE YEAR ENDED AS ON 31-03-2006 AND FOUND THE SAME TO BE DRAWN IN ACCORDANCE WITH THE REQUIREMENTS OF CLAUSE 32 OF THE LISTING AGREEMENT.

AS PER OUR REPORT OF EVEN DATE
FOR M.C. BHANDARI & CO.
Chartered Accountants

Sd/-
S.K. MAHIPAL
Partner
M.No. 70368

Place : Kota
Dated : 30-06-2006

**OM METAL AUTO PVT LTD****DIRECTORS' REPORT**

Dear Shareholders

The Directors have great pleasure in presenting the 2nd annual report and audited annual accounts of the company for the year-ended 31.03.2006 and auditors' report thereon.

PERFORMANCE REVIEW:

We take pride in announcing that the Company in its 2nd year of operation i.e. first complete year of operation has recorded a turnover of Rs.29.44 crore which is upto the mark. The interest burden has caused the loss of nominal amount of Rs.6.37 lacs and in the next year onwards due to turn up of vehicles for service and spares the handsome profit will be generated from this business. The revenue generation in this current fiscal is expected satisfactory.

DIVIDEND

For the financial year 2005-06, as there was no business activity carried on director do not propose any dividend.

DIRECTORS

Mr. Vikas Kothari, who is liable to retire by rotation and being eligible offer himself for re-appointment.

AUDITORS

M/s. B. Vishal & Co. Chartered Accountants, Kota Statutory 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 nil.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) That in the preparation of account for the period ended March 31 2006, the applicable Accounting Standards had been followed and that there are no material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the year end of the financial year and of the profit of the Company for that period;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the accounts for the period ended March 31, 2006 are on a going concern basis.

FIXED DEPOSITS

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

ACKNOWLEDGMENT

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

FOR OM METALS AUTO PVT. LIMITED

Sd/-
VIKAS KOTHARI

Sd/-
VIVEK KOTHARI

Place : Kota
Dated : 30-06-2006



OM METALS INFRAPROJECTS LTD.

B. VISHAL & CO.

Chartered Accountants

D-54, Bapu Nagar, Jyoti Marg, Jaipur, 302015. Phone No. (0) 0141-2708691

AUDITORS' REPORT

TO

The Members

M/s OM Metals Auto Pvt. Ltd

Jaipur

We have audited the attached Balance Sheet of M/S OM METALS AUTO PVT. LTD, JAIPUR as at 31st, March, 2006 and the Profit & Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government in terms of Section 227(4-A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. Further our comments in annexure referred to in paragraph 1 above and notes & comments given in SCHEDULE - 19 annexed to the Balance Sheet and Profit & Loss Account, we report that :-

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Clause 1 our report of even date:

1. In respect of Fixed assets:

(i) The Fixed Assets Register is properly maintained showing full particulars including quantitative details and situation of fixed assets.

(ii) The fixed assets were physically verified during the year by the management in accordance with a programme of verification, the frequency of which is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(iii) In our opinion and according to the information and explanation given to us, 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. In respect of Inventories:

(i) As explained to us, the inventory of the Company has been physically verified during the year by the management. In our opinion the frequency of verification of inventory is reasonable.

(ii) According to the information and explanation given to us, in our opinion, the procedure of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(iii) On the basis of our examination of records of inventory, in our opinion the company has maintained proper records of inventories and the discrepancies noted on physical verification between the physical stock and book records were not material, having regard to the size of the company and have been properly dealt within the books of accounts.

3. (i) The Company has not granted / taken any loans secured or unsecured under section 301 of the Companies Act, 1956. However Rs. 171,113/- Projects Ltd.) holding of this company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of inventories, fixed assets and for the sales / job work. During the course of our audit, no major weakness has been noticed in the internal controls.

5. In respect of contracts or arrangements entered in 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 & explanation given to us:-

(a) The particulars of contracts or arrangements referred to in section 301 that needs to be entered into register, maintained under 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 explanation's given to us, the transactions (exceeding loans referred under paragraph 3 above) exceeding the value of rupees five lacs in respect of any party during the year have been made at process which are reasonable having regard to the prevailing market price at the relevant time where such price are available.

6. In our opinion and according to the information and explanations given to us, the company has not accepted any public deposit, therefore the 2003 is not applicable to the company.

7. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with the size and the nature of its business.

(a) We have obtained all the information and explanation 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 such books. (c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

(d) In our opinion, the Balance Sheet and the Profit & Loss account comply with the accounting standards referred to in sub-section (3C) of section 217 of the Companies Act, 1956.

(e) On the basis of written representation received from the directors of the company as on 31st March 2006, and taken on record by the Board of Directors of the company, we report that none of the directors are disqualified as on 31st March from being appointed as a director in terms of clause (g) of sub section (1) section 274 of the Companies Act 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and Profit & Loss A/c read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act 1956 in the manner required, the accounts give true and fair view in conformity with the accounting principles generally accepted in India :

(i) in the case of the Balance Sheet, of state of affairs of the Company as at 31st March, 2006 and

(ii) in the case of the Profit and Loss Account, of Loss of the Company for the year ended on that date.

(iii) in the case of the Cash Flow Statement, of the Cash flow for the year ended on that date.

For B.Vishal & Co.

Chartered Accountants,

(Vipin Garg)

Partner

Place : JAIPUR

Date : 30.06.2006

8. According to the information and explanations given to us, since company is not a manufacturing concern, so books of accounts are not required to be maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.

9. (i) According to the information and explanations given to us and the records of the company, the company has been regular in depositing undisputed statutory dues in respect to Income Tax, Sales Tax & ES and statutory dues applicable to it with other appropriate authorities during the year.

There were no undeposited amount payable on account of the above dues, outstanding as at 31.03.2006 for a period of more than six months from the date they became payable.

(ii) As at 31.03.2006 according to the records of the company and information and explanations given to us, there are no disputed amounts of Income Tax, Sales Tax, Custom Duty, Wealth Tax, Excise Duty and other tax matters that have not been deposited.

10. The company has accumulated Losses of Rs.8.10 Lacs as on 31st March 2006. The Company has incurred cash losses of Rs. 5.13 Lacs during the year and cash losses of Rs.2.25 Lacs at the end of the previous year.

11. Based on our audit procedures and as per the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks.

12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.

14. In our opinion and according to the information and explanations given to us, the company is not dealer or trader in shares & Securities.

15. On the basis of information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.

16. To the best of our knowledge and belief and according to the information and explanations given to us, the Term loans taken by the company are applied for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company did not have any outstanding debentures during the year.

20. The Company did not raise any money through a public issue during the year.

21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud or or by the company has been noticed or reported during the course of our audit.

For B.Vishal & Co.

Chartered Accountants,

(Vipin Garg)

Partner

Place : JAIPUR

Date : 30.06.2006

OM METALS INFRAPROJECTS LTD.



OM METALS AUTO PVT. LTD. JAIPUR. BALANCE SHEET AS AT 31st MARCH 2006

OM METALS AUTO PVT. LTD. JAIPUR SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 ST MARCH 2006

	SCHEDULE	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
A. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
Share Capital	1	500,000.00	500,000.00
Reserves & Surplus			
3. LOAN FUND			
Secured Loans	2	27,618,637.20	
2. DEFERRED TAX LIABILITY			
TOTAL		26,118,637.20	500,000.00
B. APPLICATION OF FUNDS			
1. FIXED ASSETS			
2. INVESTMENTS			
3. (I) CURRENT ASSETS, LOANS & ADVANCES			
Inventories	4	11,247,787.95	
Sundry Debtors	5	26,235,363.00	
Cash & Bank Balances	6	1,555,522.31	813,212.00
Loans & Advances	7	6,777,771.87	
		45,816,445.13	813,212.00
(II) CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	8	18,792,994.74	680,779.00
Provisions	9	142,652.00	
		18,935,646.74	680,779.00
Net Current Assets (I) - (II)		26,880,798.39	122,433.00
MISCELLANEOUS EXPENSES			
	10	952,678.61	367,567.00
TOTAL		28,118,637.20	500,000.00

PARTICULARS	As At 31.03.2006 Rs.	As At 31.03.2005 Rs.
SCHEDULE-1 SHARE CAPITAL		
Authorized		
250000 Equity Shares of Rs 10/- each	2,500,000.00	2,500,000.00
	2,500,000.00	2,500,000.00
Issued, Subscribed & Paid up:		
50000 Equity Shares of Rs 10/- each fully paid up	500,000.00	500,000.00
	500,000.00	500,000.00
SCHEDULE-2 SECURED LOANS		
From ICICI Bank	27,618,637.20	
	27,618,637.20	
Loans are secured by hypothecation of stock of the company.		
SCHEDULE-4 INVENTORIES (As Valued And Certified By The Management)		
Store & Spares	2,536,055.00	
Cars	8,711,732.95	
	11,247,787.95	
SCHEDULE-5 SUNDRY DEBTORS (Unsecured) (Considered Good)		
Debts outstanding for a period exceeding six months	785,620.16	
Others Debts	25,449,742.84	
	26,235,363.00	
SCHEDULE-6 CASH & BANK BALANCES		
Cash in Hand	604,287.94	331,212.00
Cash at Bank		
In ICICI (Current Account)	951,234.37	482,000.00
	1,555,522.31	813,212.00
SCHEDULE-7 LOANS & ADVANCES (Unsecured, Considered Good)		
Advance Recoverable in Cash Or in Kind Or Value To Be Received	5,656,036.50	
Om Metals Limited	171,113.00	
Advance Income Tax & TDS (Net of Provision)	98117.37	
Deposits With Government & Others	852,505.00	
	6,777,771.87	
SCHEDULE-8 CURRENT LIABILITIES		
Sundry Creditors for Goods	4,626,070.72	54,203.00
Supplies & Expenses		
Other Liabilities (Advance Against Booking & Repairing)	7,535,068.68	452,000.00
Om Metals Ltd.		174,576.00
Security Received	780,000.00	
Government Dues & Others	5,871,854.34	
	18,792,994.74	680,779.00
SCHEDULE-9 PROVISIONS		
Provision For Income Tax		
Provision For Fringe Benefit Tax (Net Of Payment)	142,652.00	
	142,652.00	
SCHEDULE-10 MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	88,300.00	88,300.00
Preoperative Expenses	54,282.00	54,282.00
Net Loss As Per Profit and Loss Account	810,096.81	224,985.00
	952,678.81	367,567.00
SCHEDULE-11 SALES & SERVICES CHARGES		
Sales		
Car Sales	283,325,772.76	
Spares Part Sales	13,256,104.84	
Labour Charges	5,275,780.43	123,275.00
Waranty Claim	1,021,661.18	
	289,883,319.21	123,275.00
SCHEDULE-12 OTHER INCOME		
Interest Received	24,766.00	
Miscellaneous Income	252,675.11	
	277,441.11	

Notes on accounts and Significant Accounting Policies
As per our report of even date attached
For and on the behalf of
S. Vishal & Co.,
Chartered Accountants
VIRIN GARG, ACA
Partner
Place : Jaipur
Dated : 30.06.2006

Director
Vikas Kothari

Director
Vivek Kothari

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31.03.2006

PARTICULARS	SCHEDULE	For the Period ended on 31.03.2006 Rs.	For the Period ended on 31.03.2005 Rs.
A. INCOME			
Sales & Service Charges	11	262,891,319.21	123,275.00
Other Income	12	277,442.11	
Increase/(Decrease) in stock	13	11,247,787.95	
TOTAL (A)		294,406,549.27	123,275.00
B. EXPENDITURE			
Purchases	14	278,960,654.75	
Operating Expenses	15	1,335,179.00	35,203.00
Payment to and Provisions for Employees	16	4,307,017.65	207,648.00
Administrative, selling and Other Expenses	17	7,674,026.42	105,408.00
Interest & Other Finance Expenses	18	2,495,058.26	
Depreciation		71,910.00	
TOTAL (B)		295,044,046.08	348,260.00
Loss Before Tax (A - B)		(637,496.81)	(224,985.00)
Provision for Taxation			
Current Tax			
Deferred Tax			
Fringe Benefit Tax		142,652.00	
Loss After Tax For Appropriations		(780,148.81)	(224,985.00)
Add: 25 % Share of Om Metals Ltd. in total loss		195,037.00	
Total loss after share of Om Metals Ltd		(585,111.81)	
Balance carried Forwarded from last Year		(224,985.00)	
Balance carried Forwarded to Balance Sheet		(810,096.81)	(224,985.00)
Basic and Diluted Earnings per share		(11.70)	(4.50)

Notes on accounts and Significant Accounting Policies
As per our report of even date attached For and on behalf of
S. Vishal & Co.,
Chartered Accountants

VIRIN GARG, ACA
Partner
Place : Jaipur
Dated : 30.06.2006

Director
Vikas Kothari

Director
Vivek Kothari



OM METALS INFRAPROJECTS LTD.

OM METALS AUTO PVT. LTD., JAIPUR

SCHEDULE - 3 FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK			
	As At 01.04.2005	Addition	Deduction	As At 01.04.2005	On Deduction	For the period	Up to 31.03.2006	As At	
								31.03.2006	31.03.2006
Computers	-	62900	-	-	19003	19003	43897	-	-
Furniture & Fixture	-	26094	-	-	15898	15898	10196	-	-
Office Equipment	-	45,750	-	-	8,441	8,441	37309	-	-
Tools	-	222,326	-	-	28,568	28,568	193758	-	-
TOTAL	0	357,070	-	-	71,910	71,910	285160	-	-
Previous Year	0	-	-	-	-	-	-	-	-

SCHEDULE - 13

INCREASE / DECREASE IN STOCK

Closing stock of Cars	8,711,732.95	
Closing Stock of spares Parts	2,536,055.00	
	11,247,787.95	
Opening Stock of Cars		
Opening Stock of Spere Parts		

Increase/(Decrease) in stock 11,247,787.95

SCHEDULE - 14 PURCHASES

Cars - innove	214,464,143.70	
Carvy	13,300,301.76	
Corala	36,269,339.98	
Spares Parts (Tax Paid & Taxable)	14,927,069.31	
	<u>278,960,854.75</u>	

SCHEDULE - 15 OPERATING EXPENSES

Oil & Paints Consumed	864,013.00	35,203.00
Work Shop Expenses	471,166.00	
	<u>1,335,179.00</u>	<u>35,203.00</u>

SCHEDULE - 16 PAYMENT TO AND PROVISION FOR EMPLOYEES

Salaries & wages etc.	3,925,624.85	207,649.00
Contribution to Provident Fund & Other Funds	115,997.80	
Staff & Labour Welfare	265,395.00	
	<u>4,307,017.65</u>	<u>207,649.00</u>

SCHEDULE - 17 ADMINISTRATIVE SELLING & OTHER EXPENSES

(A) Administrative Expenses		
Computer Expenses	35784.00	
Conveyance Expenses	120576.00	
Freight & Cartage Expenses	23323.00	
Gardening Expenses	89185.00	
House Keeping & Security Expenses	511233.00	21,559.00
Light & Water Expenses	1099270.00	
Insurance Expenses	201624.00	
Legal & Professional	72005.00	24,771.00
Office Expenses	191665.00	10,000.00
Postage & Telegram Expenses	514818.91	
Printing & Stationary	174227.00	7,390.00
Rates & Taxes	33825.00	
Repairs & Maintenance Expenses	306757.75	
Travelling Expenses	443502.15	
Audit Fees & Expenses	25000.00	19,000.00
Other Miscellaneous Expenses	30325.37	
	<u>3,853,001.18</u>	<u>82,720.00</u>

Sub Total (A)

(B) SELLING EXPENSES		
Advertisement & Publicity Charges	376644.00	22,698.00
Event Expenses	288536.00	
Sales Promotion Expenses	398799.00	
Vehicle Test Drive Expenses	350075.06	
Discount Allowed	2506971.18	
	<u>4021025.24</u>	<u>22698.00</u>

Sub Total (B)

	<u>7,874,026.42</u>	<u>105,408.00</u>
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Total (A+B)

SCHEDULE - 18 INTEREST & FINANCE EXPENSES

Interest	2,473,032.34	
Bank & Other Financial Charges	22,025.92	
	<u>2,495,058.26</u>	

OM METALS INFRAPROJECTS LTD.



OM METALS AUTO PVT. LTD., JAIPUR.

SCHEDULE-19 SIGNIFICANT ACCOUNTING POLICIES

- (1) **Accounts**
The accounts are maintained under the historical cost convention employing the accrual method of accounting.
- (2) **Sales**
Sales are accounted for net of sales tax & other taxes, and returns if any.
- (3) **Job Charges - Labour & Service Charges**
Job charges are accounted for net of service tax.
- (4) **Inventories**
- (5) **Vehicles - cars** are valued at cost or net realizable value.
- (6) **Store** at cost or Net realizable value which ever is lower. The company is exclusive dealer of Toyota brand cars and having authorised service station.
- (7) **Investment**
Investment being long term, are stated at cost of acquisition inclusive of incidental expenses thereon.
- (8) **Depreciation**
Depreciation is provided on written down value basis in accordance with schedule XIV of the Companies Act 1956.
- (9) **Income Recognition**
Job/labour/Service Charges relating to repairing, testing etc. are accounted on accrual basis.
- (10) **Provision for current and Deferred Tax**
Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income tax Act 1951. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The

deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

NOTES TO THE ACCOUNTS

1. Additional information pursuant to the provisions of the paragraph no.3&4 of parts II of Schedule VI of the Companies Act.
- (a) **Purchase, Sales and stock of goods** Qty (Nos) Value (Rs.)
(Cars) traded
Opening Stock
Purchase 349 2,64,030,785.44
Sales 338 2,63,325,772.78
Closing Stock 11 8,711,732.95
- (b) **Expenditure in Foreign Exchange**
Earning per Share (EPS): (Amount in Rs.)
Profit after tax - 585,111.81
No. of equity share 50,000
Face value of each share 10.00
Earning per Share - 11.70
3. **Auditors Remuneration includes:**
Audit Fees 25000 00
Others 1000 00
TOTAL 26000 00
4. During the year company used two cars cost of Rs. 27.80 Lacs as demo cars. These cars taken in inventory as on 31st March 2006
5. All fixed assets except shown in Schedule - 4 are owned by Om Metals Ltd (Holding company) under an agreement which is used by Om Metals Auto Pvt. Ltd. on profit sharing basis.

6. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

OM METALS AUTO PVT. LTD., JAIPUR, AS AT 31st MARCH 2006 CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2006

- I. **Registration details**
Registration No. 19964 State Code 17
Balance Sheet Date 31032006
- II. **Capital Raised During the year (Amount in Rs. Thousand)**
Public Issue NIL Right Issue NIL
Bonus Issue NIL Private Placement NIL
- III. **Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**
Total Liabilities 28119 Total Assets 28119
Sources of Funds:
Paid up Capital 500 Reserve and Surplus NIL
Secured Loans 27619 Unsecured Loans NIL
Application of Funds:
Net Fixed Assets 285 Investments NIL
Net Current Assets 26881 Misc. Expenditures 142
Accumulated Losses 810
- IV. **Performance of company (Amount in Rs. Thousand):**
Turnover 249407 Total Expenditure 249649
Profit/Loss Before Tax 442 Profit/Loss After Tax -685
Earning Per Share in Rs. -1170 Dividend Rate (%) NIL
- V. **Generic Names of Three Principal Products/Services of company (As per Monetary Terms)**
I T C Code No. NA
Product Description NA

	AS ON 31.03.2006	AS ON 31.03.2005
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax and extraordinary items	(537,496.81)	(224,985.00)
Adjusted for:		
Depreciation	71,910.00	
Interest Expenses	2,473,032.34	
Interest received	24,786.00	
Operating profit before working capital changes	1,882,679.53	(224,985.00)
Sundry debtors	26,235,363.00	
Inventories	11,247,787.95	
Loans & advances	6,777,771.87	
Liabilities & Provisions	18,254,867.74	680,779.00
Adjustment for extraordinary items		
Provision For FBT	142,852.00	
Share of Om Metals in Total Loss	195,037.00	
Preliminary & Preoperative Expenses Incurred		142,582.00
Cash Generated from operations	(24,070,990.56)	313,212.00
CASH FLOW FROM FINANCING ACTIVITIES:		
Long Term Borrowings (Net of repayments)	27,018,637.20	
Interest Paid	2,473,032.34	
Interest Received	24,786.00	
Cash Generated from financing activities	25,170,379.86	
CASH FLOW FROM INVESTING ACTIVITIES:		
Payment Made For Fixed Assets Addition	367,070.00	
Received by issued shares	0	500,000.00
Cash Generated from investing activities	367,070.00	500,000.00
INCREASE / DECREASE IN CASH OR CASH EQUIVALENTS	742,316.31	813,212.00
Opening cash or cash equivalents	813,212.00	
Closing cash or cash equivalents	1,555,528.31	813,212.00

For Identification
For B. Vishal & Co.
Chartered Accountants

Director
Vikas Kothari

Director
Vivek Kothari

B. Vishal & Co.
Chartered Accountants
VIPIN GARG, ACA
Partner
Place : Jaipur
Dated : 30.06.2006

OM METALS INFRAPROJECTS LTD.



OM METALS INFRAPROJECTS LIMITED
(Formerly Om Metals Ltd.)

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

ATTENDANCE SLIP

34th Annual General Meeting
Saturday, 30th September, 2006 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 34th Annual General Meeting of the Company at Om Towers, Church Road, M I Road, Jaipur on Saturday, 30th September, 2006 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 34th Annual General Meeting of the Company to be held on Saturday, 30th September, 2006 at 11.00 A.M or any adjournment thereof,

Affix Re. 1/-Revenue Stamp

Signed this _____ day of _____ 2006

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.



Chairman Dr. T.C. Kothari with key personnel.. A thought full mood.



**OM METALS
INFRAPROJECTS LTD.**

REGISTERED & HEAD OFFICE

Om Towers, Church Road, Jaipur-302001,
Rajasthan (INDIA)
Tel: +91-141-2366679-80,89 Fax: +91-141-2371610
Email: jaipur@ommetals.com

CORPORATE OFFICES

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