



OM METALS  
INFRAPROJECTS LTD

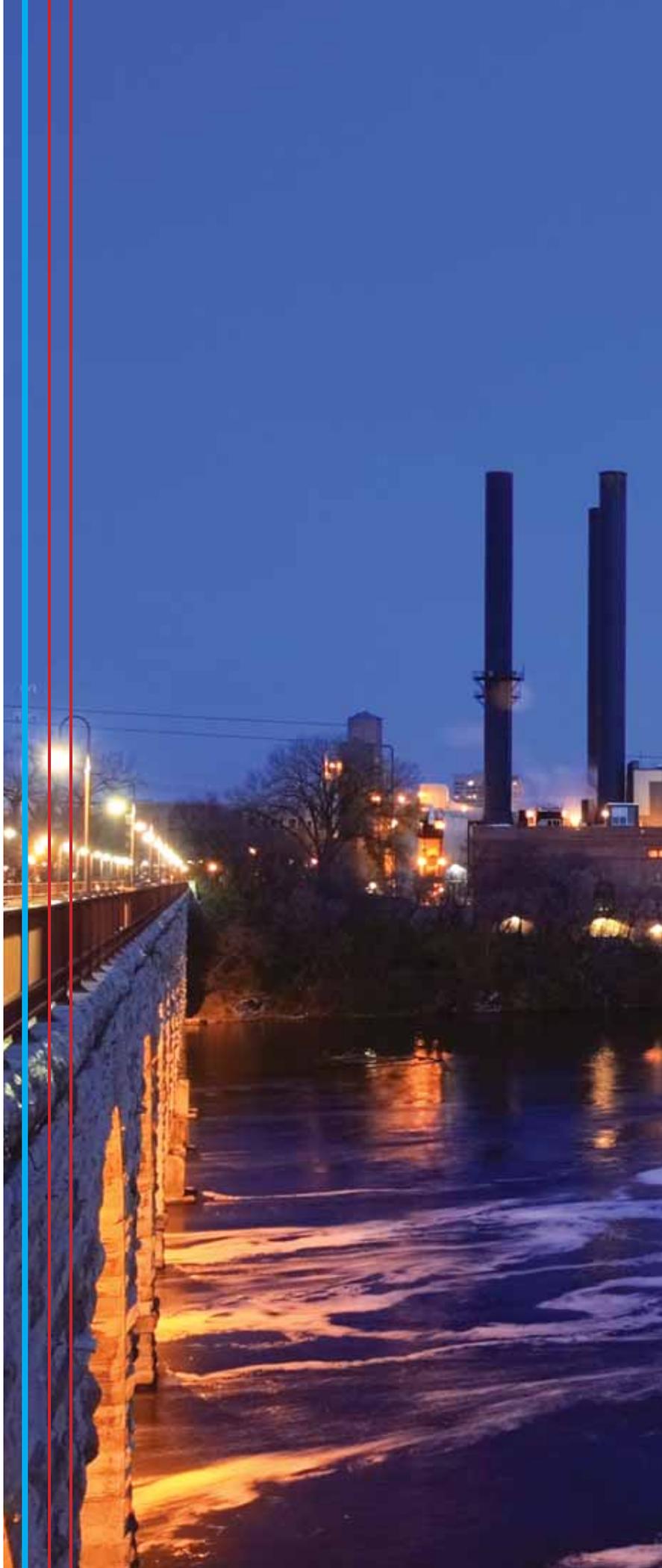
# THE **POWER** TO CHANGE

ANNUAL REPORT 2009-10



## CONTENTS

The power to change	1
The power behind	2
Chairman's Letter	4
The power of numbers	8
The power of distinctive Engineering Construction	10
The power of excellent Real Estate expansion	14
The power of robust Infrastructure development	16
The power of strengths	18
The power of achievement	19
The power of Management excellence	20
Corporate Information	21
Director's Report	22
Management Discussion & Analysis	28
Report on Corporate Governance	34
Auditor's Report	45
Balance Sheet	48
Profit and Loss Account	49
Schedule annexed to and forming part of the Balance Sheet	50
Schedule annexed to and forming part of the Profit and Loss Account	57
Significant Accounting Policies & Notes to the Accounts	60
Cash Flow Statement	82
Balance Sheet abstract and company's general business profile	84
<b>CONSOLIDATED</b>	
Auditor's Report	85
Balance Sheet	86
Profit and Loss Account	87
Schedule annexed to and forming part of the Balance Sheet	89
Schedule annexed to and forming part of the Profit and Loss Account	96
Statement of Significant Accounting Policies & Consolidated Notes to the Accounts	99
Cash Flow Statement	117
Statement Regarding Subsidiary Companies Pursuant to Section 212 of the Companies Act, 1956	119
Notice	120





## THE **POWER** TO CHANGE

---

We hold that power in the strength of our systems.

We see that power in the skills of our people.

We perceive that power in the exceptional capabilities of timely execution.

We sustain that power in the excellence of our track record.

We carry that power in the vision to look beyond.

IT IS THE POWER TO MAKE THE MOST OF THE DIVERSE OPPORTUNITIES OF GROWTH. THE POWER TO BE THERE IN THE FASTEST-GROWING SEGMENTS OF THE ECONOMY. THE POWER TO CHANGE THE WAY WE LOOK AT TODAY. THE POWER TO CHANGE THE WAY THE WORLD LOOKS AT TOMORROW.

# THE POWER BEHIND

ENABLED BY A HUGE REPOSITORY OF STRENGTHS AND SKILLS, AND POWERED BY THE MASSIVE OPPORTUNITIES UNFOLDING IN THE BUSINESS SEGMENTS OF ITS PRESENCE, OM METALS INFRAPROJECTS LIMITED (HEREINAFTER KNOWN AS THE OMIL) HAS EMERGED AS INDIA'S LEADING CONGLOMERATE ENGAGED IN DIVERSE BUSINESS ACTIVITIES AND INTERESTS RELATED TO **HYDRO-MECHANICAL EQUIPMENTS, TURNKEY SOLUTIONS FOR STEEL FABRICATION, HYDROPOWER DEVELOPMENTS, REAL ESTATE AND INFRASTRUCTURE.**

Incorporated in 1971, this leading ISO 9001 Engineering Construction company is today the largest Hydro-mechanical equipment supplier in India, with a market share of over 60 percent. Armed with an admirable track record of successful execution of more than 55 Hydro-mechanical contracts for Hydropower & Irrigation projects across the country, valued at more than USD 500 million, OMIL is a niche player with exceptional execution capabilities.

A pioneer in the field of turnkey execution - from Design, Detailed Engineering, Manufacture, Supply, Installation, Testing & Commissioning of complete range of Hydro-mechanical equipments for Hydroelectric Power & Irrigation projects, OMIL is consistently delivering icons of excellence in the burgeoning Hydropower sector, while growing its presence through strategic diversification in the Real Estate and Infrastructure segments.

The Company's manufacturing and fabrication strengths are sourced through its three fabrication-cum-manufacturing units in Rajasthan, J&K and Arunachal Pradesh, with a combined capacity of 15,000 MT, facilitating timely execution of projects. OMIL also has strategic technical tie-ups with two foreign companies for manufacturing of gates, which have enabled it to raise the bar of excellence in this niche business.

A prestigious client list spanning top-notch organizations and institutions, such as NTPC, NHPC, NEPCO, among others, endorses the Company's unique expertise and extensive experience in consistently completing projects ahead of contractual schedules and earning incentives / rewards for early completion.

The Company's remarkable growth odyssey is powered by a highly qualified management team, backed by a robust human resource base of 250 managerial and technical personnel, along with more than 1500 skilled and semi-skilled manpower.

The Company's expertise extends to high-end fabrication and erection even in remote hilly areas, difficult climate and natural site conditions, and in conditions of logistics bottlenecks.

## HIGHLIGHTING THE POWER TO CHANGE

- Executed the works of the world's largest Vertical Lift gates - Kol Dam Project for NTPC (Size – 7.5m X 14m X 115m)
- Executed the works of one of the world's largest Radial gates - Gosikhurd Dam – for VIDC, Maharashtra (Size – 18.3m X 16.5m X 16.5m)



## CHAIRMAN'S MESSAGE



**T. C. KOTHARI**  
Founder & Chairman

### *Dear Stakeholders*

I write to you at the end of what I can only describe as another historic year in your Company's growth odyssey. Having emerged stronger from the global economic travails of the previous fiscal, your Company successfully consolidated its leadership position in the Hydropower and Hydro-mechanical segment, while expanding its wings in the Real Estate and Infrastructure sectors during 2009-10.

The success of our focused and pro-active strategy during the year can be attributed, in large measure, to our power to change the way the development course is flowing in each segment of our presence. Be it the Hydropower segment, in which we are firmly entrenched as a leading player for the past several years, or the other verticals of our presence, we have always believed in following a transformational policy that shall enable long-lasting and effectual change in these vital sectors of the Indian economy.

In line with this strategy, we continued to power major changes in our way of functioning to further streamline our business operations, while ensuring holistic and forward-looking visionary thrust in every aspect of our functioning.

This strategy paid off and the year under review saw your Company report impressive numbers to post a 30.98 per cent increase in net profit for the year ended March 31, 2010 at Rs. 32.51 crore against Rs. 24.82 crore. The income from operations grew by 90.33 per cent to Rs. 196.64 crore, as against Rs. 103.32 crore in FY09.

### **KEY OPERATIONAL HIGHLIGHTS**

Consistent growth and expansion across each of our business segments marked the key highlights of your Company's progress during fiscal 2009-10. As we embarked on an expansion mode, our focus was on bidding for larger projects to enhance our portfolio.

The size of our order book, which currently stands at Rs. 636 crore, was a major indicator of the strength of our

strategy. We plan to complete these orders in the next 3 years, thereby augmenting the scale of our operations across businesses.

The focus of our growth continued to be on the Engineering Construction segment, which currently contributes nearly 80 percent of the sales, followed by Real Estate.

The year marked an important milestone for us in Engineering Construction with our maiden civil construction project in Kalisindh (Rs. 2.5 bn). This strategic foray into civil construction was motivated by our desire to leverage our understanding of the Hydropower business to target a bigger pie of the business (70% of total project cost).

I strongly believe that with the successful execution of the first leg of Kalisindh dam work in FY12, we will be ideally positioned to grab a large chunk of the huge opportunity space – approximately Rs. 940 bn opportunity - in the next 6-7 years.

Our recent MoU with an American company to venture into solar generation is another major development that I foresee as a massive augmenting force that shall drive your Company's growth in the Power business in the coming years.

The Real Estate business is also expected to give our growth strategy a major fillip, going ahead. About five years ago, we began exploiting our huge land bank (including SEZ and Port), which has helped us drive our revenues to a significant extent. Besides this, key land parcels in Jaipur, Hyderabad, and Kota are seeing pick-up in execution, and we expect to see an inflow of about Rs. 1.5 bn from these projects in the next 2 years.

In Kota, we completed our residential apartments project 'Om Enclave' and delivered possession in time during the year and also launched another project – Om Urban Heights. This was indeed a remarkable achievement considering the negative real estate environment of the previous year, through which your Company emerged largely unscathed.

Continuing with our strong focus on Real Estate, we also bought prime land in Jaipur for high-end commercial/residential development. As part of our plans to spread our real estate business to all the major cities of the country, we signed a development agreement with Mahindra Life space for development of residential township on 10 acre land at Hyderabad.



THE YEAR MARKED AN IMPORTANT MILESTONE FOR US IN ENGINEERING CONSTRUCTION WITH OUR MAIDEN CIVIL CONSTRUCTION PROJECT IN KALISINDH (Rs. 2.5 Bn). THIS STRATEGIC FORAY INTO CIVIL CONSTRUCTION WAS MOTIVATED BY OUR DESIRE TO LEVERAGE OUR UNDERSTANDING OF THE HYDROPOWER BUSINESS TO TARGET A BIGGER PIE OF THE BUSINESS (70% OF TOTAL PROJECT COST).



OUR SUSTAINED FOCUS ON INFRASTRUCTURE DEVELOPMENT HAS BEEN CONTINUALLY YIELDING STRONG DIVIDENDS FOR US AND THE YEAR UNDER REVIEW SAW YOUR COMPANY WIN THE PRESTIGIOUS 'EMERGING INDIA AWARDS' IN THE INFRASTRUCTURE CATEGORY IN ICICI BANK AND CNBCTV18'S EMERGING INDIA AWARDS 2009, POWERED BY CRISIL. THE AWARD WAS RECEIVED BY DR. T C KOTHARI, FOUNDER AND CHAIRMAN, AT A FUNCTION IN NEW DELHI FROM HONORABLE UNION HOME MINISTER SHRI P. CHIDAMBARAM AND ICICI CEO MRS. CHANDA KOCHAR.

The year under review saw your Company venture into the BOT roads space through a Rs. 3.12 bn Jaipur-Bhilwara (212km) stretch awarded in FY10. This marked our entry into one of the most high-growth potential segments of Infrastructure development in the country and I am confident this will pave the way for further growth of your Company.

Our sustained focus on Infrastructure development has been continually yielding strong dividends for us and the year under review saw your Company win the prestigious 'Emerging India Awards' in the Infrastructure Category in ICICI Bank and CNBC-TV18's Emerging India Awards 2009, powered by CRISIL. The award was received by Dr. T C Kothari, Founder and Chairman, at a function in New Delhi from Honorable Union Home Minister Shri P. Chidambaram and ICICI CEO Mrs. Chanda Kochar.

CNBC TV18's 'Emerging India Awards' is India's foremost initiative powered by the capability of shaping the future of Indian SMEs, and have been acknowledged as India's biggest business award by the Limca Book of Records.

I see this award as a clear endorsement of the success of your Company's strategic and visionary focus, as also of the commitment and drive of its people, who I believed to be one of the strongest forces behind your Company's success over the years.

In fact, our people are the foundation on which is built the core of our strategy for the future and, that is why, we have continuously striven to nurture their growth by providing them the best of working environments. During the year, we took this endeavour further through workshops in Kameng (Arunachal Pradesh) and Jaipur (Rajasthan).

#### **FUTURE FORWARD**

In our view, the next 12 months would be transformational for the Company, with record growth rate in core business, entry into civil engineering for Hydroprojects, and monetization of land bank.



As part of its diversification and forward integration strategy, the Company now plans to acquire engineering, procurement and construction (EPC) players in Hydro and Thermal power sectors. The Company plans to initially bid for EPC projects in these sectors with established players on a project-to-project basis and also target acquisition of suitable players costing less than Rs. 200 crore.

We are now also looking at venturing into manufacturing of Electro-mechanical equipment through joint ventures and associations with local/foreign players. We also intend to venture into other areas utilizing similar strengths of steel construction and fabrication.

Over the next two Five Year Plans, there will be addition of at least 25,000 MW of Hydropower by the Government of India. We see this as a massive opportunity for the Company and anticipate sizeable demand in the domestic market and also from Nepal, Bhutan and Bangladesh. A key growth area shall be the Hydro-mechanical gate manufacturing business, into which the Company has recently forayed. Initially, the Company shall only engage in production to address its EPC contracts but shall soon look to market the gates and penstock in India and abroad, and expand its capacities to cranes tailor-made for hydro projects.

Our focus will continue to remain in areas like renewable and non-renewable energy, irrigation and other infrastructure projects, both in India and worldwide. Concurrently, however, we shall continue to diversify and de-risk our business even further to insulate ourselves from the cyclic ups and downs of any single segment of economic growth.

Real Estate and Infrastructure also offer a huge opportunity for growth for your Company in view of the increased Government and public sector focus on these segments, which are expected to emerge as key contributors of the country's economic growth in the coming years. Perceiving the massive potential in the BOT space, we have already forayed into this lucrative space

and shall further expand our presence to make the most of the burgeoning opportunities in BOT.

Our aim is to focus on such fast-growing areas of the Indian economy which offer the maximum potential for growth and shall enable us to deliver the maximum profitability to each of our stakeholders, going forward.

#### **ON A PARTING NOTE**

Our growth odyssey has been powered to a significant extent by the support and guidance of a large number of Government departments and institutions and I would especially like to acknowledge the support of the officials of the Ministry of Power and other Ministries/Departments of the Government of India, along with the learned officials of PSUs like NTPC and NHPC and state electricity boards.

As mentioned earlier, we view our human resource as our most valuable asset and I take this opportunity to convey my heartfelt thanks to all our employees, without whose sustained and ceaseless efforts we would not have been able to scale such heights of success.

I express my deep sense of gratitude to all of you and the other shareholders, bankers, financial institutions, contractors, suppliers for your continued faith and confidence in the Company. I also appreciate the support of each of my colleagues on the Board for standing by me at every step of the way.

With your continued support and cooperation, I am confident we shall continue to surge ahead further on the path of growth and progress.

Thank you

Yours Sincerely  
T. C. Kothari

# THE **POWER** OF NUMBERS

Rs. in Lakhs

<b>Financial Information in Rupees</b>	<b>2005-06 (Audited)</b>	<b>2006-07 (Audited)</b>	<b>2007-08 (Audited)</b>	<b>2008-09 (Audited)</b>	<b>2009-10 (Audited)</b>
Annual Turnover	7325.15	9100.85	7405.39	10288.62	19664.36
Total Assets	13258.31	36703.34	46055.15	53270.39	52054.21
Current Assets	8990.93	21661.59	26437.71	35298.58	32931.47
Total Liabilities	13258.51	36703.34	46055.15	53270.39	52054.21
Current Liabilities	6107.72	5180.20	7133.40	8230.64	9074.77
Profit Before Tax	2445.50	2633.52	2286.57	2811.45	4136.61
Profit After Tax	2236.40	2358.91	1807.01	2482.29	3251.36
Net worth	4543.14	26593.30	32366.35	34564.75	37698.54
Working Capital 1	2883.21	16481.39	19304.31	27067.94	23856.70





Rs. in Lakhs

## NET WORTH



## PROFIT BEFORE TAX



## PROFIT AFTER TAX



# THE POWER OF DISTINCTIVE ENGINEERING CONSTRUCTION

## AN EXCELLENT OPPORTUNITY SHOWCASE

Powered to new levels of growth by the transformational force of its economic progress, India has embarked on a journey towards global leadership as a powerhouse of excellence. A key driver of this exceptional journey, which promises to elevate the nation to international scale and level of distinction, is the Hydropower sector, which is witnessing a major investment push in an effort to minimize the massive existing mismatch in Thermal and Hydropower capacities.

With an estimated and identified Hydropower potential of ~148,700 MW, of which only 36,878 MW has been constructed so far, India has a huge untapped Hydropower potential. The Government of India is going all out to boost growth in this sector and as per the 11th & 12th Five Year Plans, it has planned 45,585 MW (2224 MW commissioned till March'09) of new Hydropower generation capacity by FY17.

This scenario favours major growth potential for private players in the field, with the growth opportunities opened up by the 11th and 12th Plans standing approximately at over Rs. 100 bn - Rs. 160 bn for Hydro-mechanical solutions industry. NHPC alone, in the short run, is awaiting final clearances for over 6731 MW of Hydropower projects; this will translate into a Hydro-mechanical solutions opportunity of over Rs. 15 bn – Rs. 25 bn.

Another key opportunity enabler in the field is the Government thrust on water resources and irrigation. The Accelerated Irrigation Benefits Program (AIBP), initiated by the Central Government in 1996-97, had allocated Rs. 350 bn FY10, leading to substantial spending possibilities in the Hydro-mechanical segment.

## HOW WE ARE CHANGING THE FACE OF ENGINEERING CONSTRUCTION

Armed with over 35 years of proven track record in the field, and equipped with an efficient service offering across the value chain in the business, OMIL enjoys a little over 60% market share in Hydro-mechanical segment. Its track record of excellence is manifest in the successful execution of over 50 projects across 18 states, including some historic and landmark projects, such as the Sardar Sarovar Dam project, Almatti Dam project, Kol Dam project, etc.

The Company is currently involved in execution of Hydro-mechanical contracts of more than 2900 MW of Hydropower projects.





The Company is developing the 80-MW Koldam project near Chandigarh, the 60-MW Kurichu Dam in Bhutan and a 1,000-MW Hydropower project. It is also working on projects in Assam, Andhra Pradesh, Maharashtra, Himachal Pradesh and Uttarakhand, besides Vietnam – a clear sign of its expanding geographical presence.

Growing from strength to strength with every new project completion, OMIL has achieved an unassailable leadership position in this key domain through proven credibility as the most preferred vendor/partner, riding on the robust business opportunity from Hydropower in India.

A pioneer and market leader in the field of Hydro-mechanical engineering, with its scope of work involving Design, Engineering, Manufacturing, Supply, Installation, Testing and Commissioning of hydraulic gates, the Company has an outstanding order book of Rs. 8.6bn - to be executed in the next 30 months.

The Company's recent expansion into civil construction for Hydropower projects through the recently acquired Rs. 2.5 bn order for Kalisindh Dam from the Government of Rajasthan marks a major milestone in its growth odyssey, as this vital space offers a Rs. 940 bn opportunity in the next 7 years.

OMIL's strength in this sector is clearly evident in the scale, size and complexity of the projects it has brought so far to successful completion. The Company's project portfolio extends from 126 MW to a 1000 MW project and from those executed across the country's fastest flowing rivers to those undertaken at the highest mountain peaks - a clear testimony of its strong engineering capabilities and versatility.

## THE POWER OF OUR ENGINEERING CONSTRUCTION CAPABILITIES

OMIL's power of change in Engineering Construction directly stems from its bouquet of strengths & capabilities, which span a committed and professional workforce, coupled with robust engineering skills, extensive experience and expertise, ability to offer turnkey solutions in fabrication and diverse & comprehensive product offerings.

**Extensive experience and expertise:** Only through perfect and faultless hands-on management can an organization power lasting transformation in the field of Hydropower. OMIL's strength in this domain is directly related to the significant investments it has made over the years in the development of its workforce, which is today rated among the best in the industry. The Company has consistently and painstakingly worked towards development and management of a dedicated team to handle complex projects with ease and speed in difficult terrains and adverse conditions. This has enabled it to ensure on-time development of cost-effective and quality projects at all times.

**Turnkey solutions in fabrication:** All mega development and construction projects require a high degree of expertise in steel fabrication, in which OMIL has developed considerable and comprehensive expertise on the strength of its focused approach and a holistic business model.

**Robust engineering skills:** OMIL's key focus area has been the development of its engineering staff, keeping in view the fact that seamless engineering abilities are the backbone of any infrastructure project. The Company's human resource includes technocrats and highly qualified professionals, including engineers, architects and CAD/CAM specialists.

The Company's mark of quality in engineering and its strength in versatile project execution is evident across difficult terrains and complex conditions.

**Diverse and comprehensive product offerings:** Om Metals is uniquely positioned in this space with its diverse offering encompassing a wide range of Hydro-mechanical equipment required in any Hydropower and Irrigation project, such as vertical gates, radial gates, draft tube gates, intake gates, spillway and stop-log gates, hydraulic and electrical servo motor hoists, EOT and gantry cranes and trash racks & trash rack cleaning machines.

ARMED WITH ITS ROBUST POWER OF FABRICATION AND MANPOWER STRENGTH, OMIL HAS DEVELOPED THE ABILITY TO EXECUTE TURNKEY CONTRACTS FOR CUSTOMERS: RIGHT FROM DESIGN AND DRAWING TO PROCURING RAW MATERIAL, TO MANUFACTURING HYDRO-MECHANICAL EQUIPMENT, AND TRANSPORTING THE RAW MATERIAL AND FINISHED PRODUCTS AT THE PROJECT SITE, FROM MOBILIZATION OF THE REQUIRED MACHINERY TO FABRICATION AS PER THE APPROVED DESIGN, FROM FABRICATION INSPECTION BY THE PROJECT AUTHORITIES TO COMMISSIONING AND INSTALLATION, FROM COMMENCING ERECTION TO SERVICING FOR THE PERIOD OF CONTRACT: ENABLING IT TO STRADDLE THE ENTIRE RANGE OF SERVICES IN THE HYDRO-MECHANICAL SPACE.



## OUR PROMINENT PROJECTS

- **Hidkal Dam Project Hidkal**, Karnataka, India
- **Harangi Dam Project Mercara**, Karnataka, India
- **Lower Sileru Dam Donkariya**, Andhra Pradesh, India
- **Kota Barrage Kota**, Rajasthan, India
- **Sapture Thermal Power Project Sarhi**, Madhya Pradesh, India
- **Bhimgoda Barrage Project Haridwar**, Uttar Pradesh, India
- **Bhim Sagar Dam Project Jhalawar**, Rajasthan, India
- **Sanjay Gandhi Thermal Power Project Birsinghpur**, Uttar Pradesh, India
- **Tons Hydroelectric Project Beehar**, Madhya Pradesh, India
- **Thanwar Dam Project Seoni**, Madhya Pradesh, India
- **Gambhir Dam Project Ujjain**, Madhya Pradesh, India
- **Tons Hydroelectric Project Sirmour**, Madhya Pradesh, India
- **Som Kamla Amba Project Dungarpur**, Rajasthan, India
- **Rangit Hydroelectric Project**, Sikkim, India
- **Almatti Dam**, Karnataka, India
- **Kurichu Hydroelectric Project**, Bhutan
- **Rangandi Hydroelectric Project Yazali**, Arunachal Pradesh, India
- **Chappi Irrigation Project Jhalawar**, Rajasthan, India
- **Prakasam Barra Awada**, Andhra Pradesh, India

## OUR PRODUCT PORTFOLIO

Radial Gates  
 Stop Log Gates  
 Hoists & Lifting equipments  
 Vertical Gates  
 Gantry Cranes  
 Trash Racks & TRCM  
 Penstocks & Steel Liners  
 Control equipment, automization & SCADA

## OUR CLIENT PORTFOLIO

NTPC, NHPC, NEEPCO  
 SEBs, VIDC, Central and State PSUs  
 State Irrigation Departments

## OUR JOINT VENTURES

ATB Riva Calzoni SpA, Italy  
 JSC Ukr Hydro Mech, Ukraine

## OUR FACILITIES

Kota, Rajasthan  
 Kathua, Jammu & Kashmir  
 Arunachal Pradesh

# THE **POWER** OF EXCELLENT

## **REAL ESTATE** EXPANSION

### **AN EXCELLENT OPPORTUNITY SHOWCASE**

A strong driver of India's growth, real estate constitutes a large chunk of construction activity in the economy. After a brief period of downturn triggered by the recessionary global environment, this sector has witnessed strong revival on the back of the Government's stimulus packages and the RBI allowing special treatment to give the sector a fillip.

Strong liquidity, softer interest rates and de-leveraged balance sheets-led new project launches have resulted in a strong demand revival from the Real Estate sector, boosting the opportunity matrix for construction companies focusing on this segment.

According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity. The potential for development is also high in commercial and other segments.

India leads the pack of top Real Estate investment markets in Asia for 2010, according to a study by PricewaterhouseCoopers (PwC) and Urban Land Institute, a global non-profit education and research institute, released in December 2009.

### **HOW WE ARE CHANGING THE FACE OF INDIAN REAL ESTATE**

Seeing the huge opportunity potential in real estate, OMIL has strategically forayed into this vital segment of the Indian economy by opportunistically acquiring land parcels across the country, wherein it saw value accretion.

The year 2009-10 saw significant activity in this segment with the Company signing a development agreement with Mahindra Life space for the development of a residential township on 10-acre land in Hyderabad. The construction of the same is expected to commence from Nov'10 and this project is expected to be completed in FY14.

The completion of Om Enclave – residential apartments, and its on-time delivery of possession, along with launch of another project – Om Urban Heights – in Kota were among the other key





highlights of the Company in this space during the year. Om Enclave is spread over 0.35 mn sq ft of total construction area, of which 0.27 mn sq ft has been sold and booked. The project is expected to be completely booked in FY'11.

In line with its policy to strategically expand its land bank, OMIL bought 5 acre of very costly and prime land in Jaipur at a cost of Rs. 166 crore for the development of high-end residential apartments focusing on niche clientele and providing world-class amenities. The Company intends to sell 6 lakh sq.ft as residential property by FY'13, and construction work is scheduled to commence from Nov'10.

OMIL's Bandra SRA project is the key value-driver of its real estate business. The Bandra slum rehabilitation (under SRA) project will drive majority of value for the Company's real estate business. OMIL has so far received over 60 clearances (of 67 required) for this statement project, and is likely to commence site development post receipt of Maharashtra CRZ clearance.

Om Metals Consortium (held 35% by OMIL) bagged the tender (issued by MHADA in 2004) to redevelop the Bandra slums and existing transit camps in Aug'05 and Letter of Intent (LOI) was issued by the Slum Rehabilitation Authority



(SRA) in Feb '08. As per the LOI issued by SRA, the Company can construct total area of 0.4mn sq ft, of which 0.1mn sq ft needs to be marked for the rehabilitation of slum dwellers and the remaining (0.3mn sq ft) is available for free sale.

Currently, OMIL has 2 mn sq.ft of saleable area spread across cities like Mumbai, Jaipur, Hyderabad, Kota and Faridabad. The Company has 17 acre land in Jaipur (Cost Rs. 275 mn for 50% ownership), 10 acre land in Hyderabad city (Cost Rs. 150 mn for 50% ownership), situated close to the hi-tech city, and 4 acre land in Faridabad situated on National Highway-2, close to Delhi border. In Kota, it plans to develop a residential housing project with a Rs. 32 crore investment.

In addition, OMIL owns a four-star 60-room revolving hotel in Jaipur and a 1200-seater multiplex in Kota (leased to INOX). Both these projects assure fixed revenue streams to the Company.

While OMIL is developing properties in tier-II cities independently, it is smartly employing a joint development model in tier-I cities like Hyderabad and Mumbai.



# THE **POWER** OF ROBUST

## **INFRASTRUCTURE** DEVELOPMENT



### **AN EXCELLENT OPPORTUNITY SHOWCASE**

The Infrastructure space is one of the fastest-growing segments of the Indian economy, with the share of infrastructure spends as proportion of GDP having increased consistently over the last 5 years. As the overall economic growth outlook improves, the spending on infrastructure is expected to rise further.

India has an ambitious plan to overhaul the infrastructure in the country over the next decade, with Government agencies estimating investments of over USD 100 billion per annum to spruce up the nation's infrastructure.

Of the Government's US\$428bn infrastructure development plan, the private sector is expected to contribute around 30%. The need to create infrastructure in vital areas of irrigation and water, railways, urban infra (including metro, ports and airports) is expected to drive a large chunk of development in this segment.

Along with Power, roads provide a huge opportunity matrix for growth in the Infrastructure sector with research analysts estimating potential orders of Rs. 2.6 trn (36,400km) over the next 30 months, of which Rs. 1.6 trn is expected over the next 15 months.

Ports too offer an impressive opportunity for private companies engaged in infrastructure development; the Government had identified 23 projects to be awarded in 2009-10 and 2010-11.

### **HOW WE ARE CHANGING THE FACE OF INDIAN INFRASTRUCTURE**

Perceiving the strong potential for growth in this segment, OMIL forayed into this space by winning two contracts for the development of a port and an SEZ in Puducherry. The SEZ project is multi-product SEZ spread over 860 acres and the Company has a nearly 20 percent stake in it. The Company has a 50 percent stake in the port project in Puducherry, which is to be developed in next 5-6 years. Both projects are expected to be developed through separate SPVs.



The year 2009-10 saw the Company foray into the fast-growing Roads segment by bagging a 212 km road project on the Jaipur-Bhilwara section from PWD, Rajasthan.

India has one of the largest road networks in the world, about 3.3mn km. Of the 66,754 km of national highways, only 12% have four lanes, 50% two lanes and the rest mere single lanes, putting tremendous strain on them and thus, offering a huge potential for growth for infrastructure developers operating in this segment.

### **PUDUCHERRY SEZ**

OMIL, along with SPML, had bagged this Rs. 5 billion project to develop a multi-products SEZ. The project has since been joined by 'Urban Infra Fund', which leaves the current shareholding in the Puducherry SEZ to: 'Urban Infra' 37%, 'Puducherry Government' 26%, SPML and Om Metals Infra holding 18.5% each.

OMIL has already invested Rs. 20 mn as its share of

equity in the project, which is awaiting clearance from finance ministry.

The SEZ project is a multi-products SEZ, covering an area of 860 acres. It comprises an integrated residential and industrial township featuring IT/ITES, Biotech, Life Science, Medical Tourism, Schools, Hospitals, Value retail, etc.

### **PUDUCHERRY SEA PORT**

This Rs. 20 bn project has been bagged by 50:50 JV between OMIL and SPML. So far, OMIL has invested Rs. 35 mn into the projects as equity contribution. This project is expected to go on stream in FY11.

The Government of Puducherry has signed a 300-year Concession Agreement (extendable for a further 20 years) with Pondicherry Port Limited, to develop the existing port into a deep water port.

Both the SEZ and the Port in Puducherry are expected to commence development in FY12.

# THE **POWER** OF STRENGTHS

- Established presence with more than 35 years of successful track record by executing more than 55 projects
- Dedicated team associated with Company since its inception, ensuring they possess required experience and skills to execute Hydropower projects in the most adverse conditions
- Robust engineering skills & know-how that enables the Company to execute projects of varied magnitude and complexity: ranging from 45 MW to 1000 MW of power generation
- Expertise in turnkey execution, enabling the Company to provide a gamut of Hydro-mechanical equipments & spanning equipment supply, guarantee maintenance & services – one-stop shop for clients
- Competent team to acclimatize & work in hilly terrain, inaccessible & disturbed regions under adverse conditions



# THE POWER OF ACHIEVEMENT

Grossed, in engineering sector alone, a turnover of USD 300 mn and is now targeting a turnover of USD 500 mn

Achieved a leading position in the field of execution of turnkey contracts for Hydro-mechanical equipment for Irrigation and Hydropower projects

More than 55 Irrigation and Hydropower projects successfully completed across the nation and abroad

Currently involved in execution of Hydro-mechanical contracts of more than 2900 MW of Hydropower projects

All recent engineering construction contracts for HE projects completed within or even ahead of schedule

Various other projects, including Multiplex Cinema Project, commissioned in record period of 6 months

Employing more than 250 managerial & technical personnel and 1500 skilled manpower

Bagged prestigious contracts from organization like World Bank, NTPC, Ministry of External Affairs, NHPC, NEEPCO and others

Profit-making company since inception



# THE POWER

## OF MANAGEMENT EXCELLENCE

### OUR MANAGEMENT TEAM



From left to right:  
**MR C P KOTHARI, MR D P KOTHARI  
and MR SUNIL KOTHARI**

Sitting:  
**DR T C KOTHARI**

#### **DR T C KOTHARI,**

Founder and Chairman  
(82 yrs)

A pioneer and a visionary, Dr Kothari is a first generation entrepreneur who founded Om Metals in 1967. He started the Company with meager resources and has seen it grow into a Rs. 5 billion enterprise. At the age of 75, he completed Doctorate in Philosophy and still plays an active role in the overall strategy of the Company.

#### **MR C P KOTHARI,**

Managing Director and  
CEO (61 yrs)

C P Kothari has been with the Company for over 35 years and has been playing a key role in the overall growth of the organization. He has also been a Director on the Board of RIICO. He holds a Bachelors degree in Commerce.

#### **MR D P KOTHARI,**

Director (55 years)

D P Kothari has immense experience in the execution of turnkey contracts. He heads the technical and execution group within the Company and has been the backbone in all the ventures of the Company. He holds a Bachelors Degree in Mechanical Engineering.

#### **MR SUNIL KOTHARI,**

Director (42 years)

Sunil Kothari has over 20 years of experience and is responsible for the Financial matters of the Company. He holds a Bachelors degree in Commerce & Masters in Business Administration.

# CORPORATE INFORMATION

## Board of Directors

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

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

Shri D.P. Kothari  
*(Director)*

Shri Sunil Kothari  
*(Director)*

Shri P.C. Jain  
*Director (Technical)*

Shri Kamal Chandwar  
*Director (Audit)*

## Auditors

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

M/s. Milind Vijayvargiya and Associates  
Chartered Accountants  
Kota

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

## Bankers

State Bank of Bikaner and Jaipur  
Industrial Estate, Kota

State Bank of Patiala  
Janpath, New Delhi

Bank of Baroda  
Jhalawar Road, Kota

IDBI Bank  
C-Scheme, Jaipur

State bank of India  
M I Road- Church Road, Jaipur  
Registered Office

Om Towers, Church Road,  
M I Road, Jaipur - 302 001  
Tel. no.: (0141)-2366679-80,89  
Fax no.: (0141)-2371610  
Email: ommljaipur@yahoo.com

## Corporate Office

NBCC Plaza, Tower III  
Fourth Floor, Pushp Vihar,  
Saket, New Delhi  
Ph. No.: (011)-29565552 (3 lines)  
Fax No.: (011)-29565551  
Email: info@ommetals.com

## Branch Office

Ramakrishna Sadan, Ground Floor,  
63, Pochkhanawala Road, Opp. Worli RTO,  
Worli, Mumbai - 400 025.  
Ph. No.: +91-22-24970836/37  
Fax No.: +91-22-24952515  
Email: ommlmumbai@yahoo.co.in

## Listing on Stock Exchange

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

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai - 400 001



# Director's Report

Dear Shareholders,

Your Directors have pleasure in presenting 38<sup>th</sup> Annual Report and audited accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

## RESULTS OF OPERATION

(Rs. in lacs)

Particulars	Year Ended March 31,		
	2010	2009	Growth %
Total Turnover & Other Income	20216.67	10543.61	91.74%
Operating Profit (EBITDA)	5519.20	3438.74	60.50%
Financial Charges	726.55	1165.92	
Depreciation	656.04	482.82	35.87%
Profit before Tax	4136.61	2811.45	47.13%
Provision for Taxes	885.25	329.16	168.94%
Profit after Tax	3251.36	2482.29	30.98%
Add : Profit brought forward from previous year	8166.85	6419.09	
Profit available for appropriation	11418.22	8917.76	
Retained Profit carried forward to the next year	10836.29	8166.85	

### Major Achievements

In spite of world-wide economic slow down, this year was marked by several accomplishments for the Company, both in terms of physical and financial performance. Your company has maintained an upward trend in all performance parameters as follows,

EPS for the period stands at Rs. 3.38

Turnover increased from Rs. 10543.61 lacs to Rs. 20216.67 lacs in previous year, recording increase of 91.74%.

EBIDTA increased from Rs. 3438.74 lacs to Rs. 5519.20 lacs in previous year, recording increase of 60.50%.

PAT increase from Rs. 2482.29 lacs to Rs. 3251.36 lacs in previous year, recording increase of 30.98%.

Company secured prestigious Kalisindh Project in Rajasthan for Rs. 457 crore in JV with SPML infra the execution of which will be completed in 24 months.

### Business

The strength of your Company lies in identification, execution and successful implementation of the projects in the infrastructure space. To strengthen the long-term projects and ensuring sustainable growth in assets and revenue, it is important for your Company to evaluate various opportunities in the different business verticals in which your Company operates. Your Company currently has several projects under implementation and continues to explore newer opportunities, both domestic and international. Your Board of Directors considers this to be in strategic interest of the Company and believe that this will greatly enhance the long-term shareholders' value.

At present your Company operates in three business sectors- Heavy

Engineering cum construction, Real Estate and Infrastructure Projects.

This year we have surpassed all the expectations and feats achieved earlier by registering a top line of Rs. 200 crore. The projects awarded by NHPC like Teesta (TLDP), Uri, Chamera and Parbati progressed in its full strength this year and almost 80% manufacturing and fabrication completed this year to leave only erection and final commissioning for next year. Post approval of design and drawings in Kameng project - the revenue generation was satisfactory this year and the phenomenal progress is anticipated in next F.Y. We are endeavouring to get overall price revision in Kameng Project for the delay attributable to NEEPCO in revising structural and technical parameters.

The real estate division of the Company maintained the momentum at par by registering a turnover of Rs. 2357 lacs from the Township at Kota "Om Enclave" where we have sold all the apartments and possession already handed over. The success of "Om Enclave" even in slow down period boosted our morale to launch another project "Om Urban Heights". Next two years will witness revenue from this project.

The Company has reported a Profit Before Tax (PBT) of Rs. 4136 lacs, as against Rs. 2811 lacs in the previous year. The decreased inventories stressed the surge proportionate to surge in turnover.

EPS for the financial year 2009-10 stood at Rs. 3.38.

### DIVISIONAL ANALYSIS

#### ENGINEERING DIVISION

The Engineering Division focuses on turnkey engineering procurement and construction contracts for Hydro mechanical equipment for Hydro Power and Irrigation projects. The 91% surge in turnover this year from engineering division mainly attributed by four NHPC projects awarded in 2007. Kameng project post re-approval and re structuring by NEEPCO did also contribute turnover in this fiscal. We have a

sizeable share in the Indian Hydro mechanical space with an unexecuted order book size of Rs. 830 crores (excluding escalation). The Company this year secured the contract of Kalisindh project in Rajasthan worth Rs. 457 crore in JV with SPML Infra. With this project company has achieved another feat of diversifying in the civil construction space and the Company will not have to take recourse to civil companies for meeting PQ norms for bidding in civil space. The Company is now all geared up to encash the burgeoning opportunities in executing complete EPC contract in the space of H M components and civil structure as well for Hydro projects of 38000 MW power generation planned in next 10 years by GOI. The projects in Hydro power space involve multifarious activities viz. civil construction, Electromechanical component and Hydromechanical equipments.

### REAL ESTATE, HOTELS AND MULTIPLEX

The turnover from hotel Om Tower in Jaipur and Multiplex in Kota remained at same levels. With the revival in economical growth – revenue is expected to increase buoyed by increasing domestic and

#### Projects in Hands

Site	Place	Year of Completion	Contract Value (Rs. in crore)
Teesta	Siliguri (West Bengal)	2010	84.58
Uri	Sri Nagar (Jammu & Kashmir)	2010	50.61
Koldam	(Himachal Pradesh)	2010	5.00
Chamera	(Himachal Pradesh)	2010	68.42
Sewa	Bani (Jammu & Kashmir)		3.00
Kameng	(Arunachal Pradesh)	2012	131.91
Sri pad Sagar	(Andra Pradesh)	2010	95.00
Madikheda	Shivpuri (Madhya Pradesh)		1.24
Parbati	Kullu (Himachal Pradesh)	2010	93.98
Tapovan	(Uttaranchal)	2011	74.00
Kalisindh	(Rajasthan)	2012	457.00

#### Future plans

Going ahead, the Company aims to further enhance its skill-sets, core strengths, capacity enhancement, Build a fleet of construction equipments to effectively and efficiently tackle even bigger and more complex projects in this niche space, within and outside India.

The Company is all geared up to encash the burgeoning opportunities in the Hydro Mechanical segment and utilise the PQ earned from Kalisindh project in Civil space by providing turnkey solution in civil as well as Hydro mechanical space to minimum 38,000 MW additional Hydel power generation planned in next 10 years by GOI.

Your company is aggressively taking part in submitting RFQ's for Roads, Highways, massive housing projects, transmission towers, solar power generation, urban and rural infrastructure development projects, ancillary services to Ports etc and in some of them company has been shortlisted for submitting RFP.

#### OTHER REAL ESTATE PROJECTS IN DIFFERENT SPV'S ARE DISCUSSED IN SUBSIDIARY SECTION.

#### Liquidity

The proceeds from the allotment of 2,00,00,000 shares at Rs. 60/share to QIB's (Qualified Institutional Buyers) was partly utilised in capacity

international tourism ahead of Commonwealth Games in 2010.

Though in real estate front we have not seen any major upward in revenue generation but we remained un affected with sluggish realty market and managed to successfully sell out the "Om Enclave" project with handsome profits and launched another project of 2 lac sq. ft. residential apartments on newly acquired 10000 sq. mt. land in Kota (Rajasthan) the response of which was over whelming. Post CRZ and MOEF clearance – other statutory clearance and extensions from SRA and other different agencies are on fast track and we are ready to construct the temporary transit camps for shifting slum dwellers and this will pave the way to begin construction activities of rehab apartments and commercially roll out sellable apartments in Bandra Reclamation- A project initiated by MHADA.

We have signed a development agreement with Mahindra Life space for development of 10 acre land in Hafeezpet village (Near Hi tech city) Hyderabad and the construction of this project shall start in middle of the F Y 2010-11.

expansion in Engineering division and real estate developments. The partial proceeds have been invested in FDR's and liquid funds and we are awaiting potential overseas/domestic acquisition opportunity to utilise the available funds.

Out strong cash flows enable us to manage financial and business risks. As on March 31, 2010, we had liquid assets including investments in term deposits and liquid funds of Rs. 60 crore.

#### APPROPRIATIONS

##### Dividends

During the year under review, your directors had declared and paid interim dividend of Rs. 0.20 per share in January 2010.

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

#### TRANSFER TO RESERVES

The Board of Directors propose to transfer Rs. 350 lacs to General Reserve in accordance with the Companies (Transfer of Profit to Reserves) Rules, 1975.



## SUBSIDIARIES / PARTNERSHIPS / SPV'S

**Om Metals Auto Pvt. Ltd.** – Post launching of Toyota SUV- 'FORTUNER' - 'The 3-S Toyota automobile dealership business, Om Toyota at Jaipur, is running in good momentum and we have booked a turnover of Rs. 47.21 crore as against Rs. 35.94 crore in P.Y. The net profits touch Rs. 47.20 lacs as against the loss of Rs. 7.92 lacs in P.Y. Target launch of new model this year in small segment - 'ETIOS' will further enhance the acceptability of Toyota in mass public.

**Pondicherry Port Ltd.** – A SPV for development of sea port in Pudduchery. The detailed project report and environmental clearance is under way. The project will start after formal approvals in place.

**Sanmati Infradeveloper Pvt. Ltd.** – This SPV wherein we own 25% stake along with other stake holders Subhash Projects (25%) and Urban Infrastructure Trustees Ltd (UITL) (50%) is a holding company of Pondicherry SEZ Co. Ltd (PSEZCL). PSEZCL owns a multi product SEZ in Pudduchery where 840 acre land has been acquired and balance 26 acre is pending. We are awaiting formal notification from Ministry of Commerce.

**Om Metals Consortium** – This partnership firm is the owner of prestigious Bandra project which after CRZ and MOEF clearance has been awarded extension of lease for land meant for temporary transit camps. The construction of transit camps is planned in August 2010 and further construction of sellable apartments will take place there after.

**Bhilwara Jaipur Toll Road Pvt. Ltd.** – A SPV created with SPML Infra Ltd on 49: 51 sharing basis extending & strengthening of existing to lanes - Jaipur - Bhilwara 212 km road under PWD Rajasthan. The SPV has been qualified and signing of concession agreement is pending.

**OM SPML Infraprojects Pvt. Ltd.** – A contract agreement with water resources govt. of Rajasthan for executing 457 crore Kalisindh Dam project in a SPV created with SPML infra on 50:50 basis has been signed and the work has been started after mobilising equipments and work force.

**Om Metals Real Estate Pvt. Ltd.** – Almost all infrastructure / real estate interests of Om Metals Infraprojects Ltd stands owned by this 100% subsidiary in the shape of holding stake in different subsidiary / SPV's as mentioned here under.

**Om Metals Ratnakar Pvt. Ltd.** – A 9467 sq. ft. office space in Prime and aesthetic NBCC plaza, Delhi purchased in this 100% subsidiary to house the entire corporate and business development affairs of the Group, is fully functional and contributing to expansion and diversification of the Company in high potential areas.

**Om Metals Developer Pvt. Ltd.** – A development agreement for residential housing project at Hyderabad near Hi tech city has been inked with Mahindra Life space on 25:75 basis and the construction of 1 million sq. ft. space with all state of the art amenities shall start in mid 2010-11.

**Om Shivay Real Estate Pvt. Ltd. (formerly Murthal Tanks & Vessels Pvt Ltd.)** – A four acre industrial land in Faridabad on main national highway (NH 2) on Delhi border purchased from the Bank in open tender has been made free from the labour disputes. The minor litigation initiated by the other interested parties and FI's are now

pending in the High Court and DRT.

**Om Metals Infotech Pvt. Ltd.** – A 17 acre industrial land in Jaipur (Rajasthan) purchased from seller after settling bank loan in OTS is under our ownership and possession. A case initiated by local party is pending for final disposition at court level.

**NKP Holdings Pvt. Ltd.** – 3000 sq mt land in NCR near Delhi-Faridabad Boarder is in possession with the Company where we hold 50% ownership thru OREPL. The land is suitable for corporate park and is adjacent to the land owned by our associate Om Shivay Real estate Pvt Ltd.

**Om Sensation Properties Pvt. Ltd.** – This company owns agricultural land in Andhra Pradesh and our ownership in this company is 12.5%.

**Sanmati Buildcon Pvt. Ltd.** – 33 acre appx land is owned by this company in Sohna Dist Gurgaon ( Haryana) and we own 33.33% in this company.

**Om Hydromech Pvt Ltd.** – 26 acre industrial land suitable for expanding our works in Bhilai bought in this 100% owned company from Debt Recovery Tribunal. We have filed appeal to DRT for providing us complete title papers and the matter is pending.

## DIRECTORS

In accordance with the provisions of sections 255 and 256 of the Companies Act, 1956 and the Articles 61 of the Articles of Association of the Company Shri P. C. Jain retires by rotation at the ensuing AGM of the Company and being eligible offer themselves for re-appointment.

## AUDITORS & AUDITORS REPORT

M/s. M. C. Bhandari & Co., Chartered Accountants, M/s. B. Khosla & Co. Chartered Accountants and M/s. J. N. Khandelwal & Co., Chartered Accountants, will retire at the conclusion of the Annual General Meeting and being eligible offer themselves for reappointment, if made in accordance with Section 224 (1B) of the Companies Act, 1956. The board recommends their re-appointment.

The Notes to the Accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further explanation.

## 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.

## PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the name and other particulars of employees are set out in the Annexure to the Director's report.

## PERSONNEL

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

## LISTING

The Equity Shares of the Company continue to remain listed with the Bombay Stock Exchange (BSE). The listing fees payable to the exchange for the financial year 2009-10 have been paid.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956, your directors confirm that :

- i) That in the preparation of account for the period ended March 31, 2010, 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, 2010 are on a going concern basis.

## AWARDS AND RECOGNITIONS

During the period under review, your Company has been conferred with "Emerging Company of the year" recognition in infrastructure space by CNBC Network 18, ICICI powered by CRISIL and Dr. P. Chidambaram, Hon'ble Home Minister of India handed over the award in a public ceremony to the Chairman of the Company.

## CORPORATE WEBSITE

The website of the Company, [www. ommetals.com](http://www.ommetals.com) carries a comprehensive database of information of interest to the stakeholders including the corporate profile, information with regard projects, financial performance of your Company and others.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-defined Internal Control system that is adequate and commensurate with the size and nature of business. Clear roles, responsibilities and authorities, coupled with internal information systems, ensure appropriate information flow to facilitate effective monitoring. Adequate controls are established to achieve efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. An exhaustive programme of internal audits, including all Branches of the Company all over India,

review by management, and documented policies, guidelines and procedures, supplement the internal control system.

The Audit Committee regularly reviews the adequacy and effectiveness of the internal controls and internal audit function.

## 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 & FOREIGN COLLABORATIONS

The consolidated financial statement of The Company pursuant to AS 23 and AS 27 have been prepared and attached.

### Foreign Collaboration

- ATB Riva Calzoni SpA, Italy
- JSC Ukr Hydro Mech, Ukraine

## 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 31<sup>st</sup> March 2010 of its subsidiary 'Om Metals Auto Pvt. Ltd', Om Metals Real Estate Pvt. Ltd. are attached with annual accounts of the Company. Financial Statements of the subsidiary companies along with Directors Report and statement pursuant to section 212 of the companies Act, 1956 and AS 21 of Institute of Chartered Accountants of India are attached.

The investment in significant associates like Om Metals consortium, Om Ray JV, OMIL-JSC JV, Pondicherry Port Ltd., Sanmati infradeveloper Pvt. Ltd., have been treated as per AS 27/23 and accordingly have been consolidated in financial statements in compliance with AS.

### Fixed Deposits

Your Company has no unclaimed / unpaid or overdue deposit, during the year under report under section 58A of Companies Act, 1956.

### Acknowledgements

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

On behalf of the Board of Directors,

Regd. Office :  
Om Towers, Church Road  
M I Road, Jaipur  
Date : 28.05.2010

Sd/-  
**Dr T. C. Kothari**  
Chairman



# Annexure to Director's Report

## THE DISCLOSURE UNDER SECTION 217(2A) FOR THE YEAR ENDED MARCH 31,2010

Particulars of Employees under section 217 (2A) of the Companies Act, 1956 and forming part of the Director's report

Name	Age	Qualification	Designation	Date of Joining	Experience (Years)	Gross Remuneration (Rs. in lacs)	Last Employment
C. P. Kothari	62	B.Com	Managing Director	1.10.1994	39	57.36	None
D. P. Kothari	59	M.E.	Director	1.10.1994	39	44.50	None
Sunil Kothari	46	M.B.A	Director	28.04.2006	25	50.00	None

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 and forming part of the Directors Report for the year ending 31<sup>st</sup> March, 2010.

### A. Conservation of energy :

#### a) Energy conservation measures taken:

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

#### b) Additional investments proposals, if any being implemented for reduction of consumption of energy, Efforts are being made in the direction of reducing energy consumption.

– NIL –

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

Impact has not been measured.

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

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

### B. Technology Absorption :

#### a) Research & Development :

##### i) Specific areas in which R & D was carried out by the Company :

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

- Better utilization of Scrap.

##### ii) Benefits derived :

- Production improved gradually.

#### b) Future Plan of Action :

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

#### c) Expenditure on R & D :

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

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

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

Replacement of electric hoist to hydraulic hoist.

Cutting and welding for gate and hoist fabrication.

Efforts for technology development and innovation are going on.

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

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

#### iii) Technology imported during the last 5 year.

– NIL –

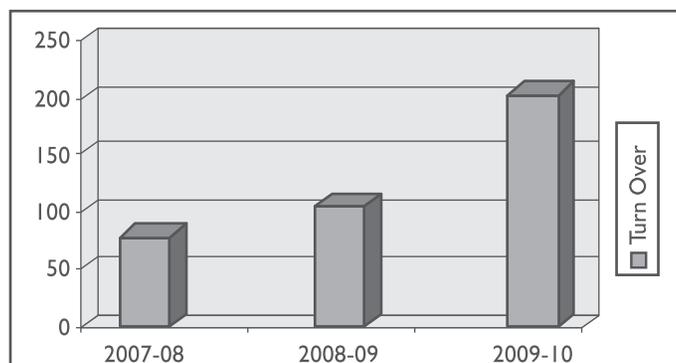
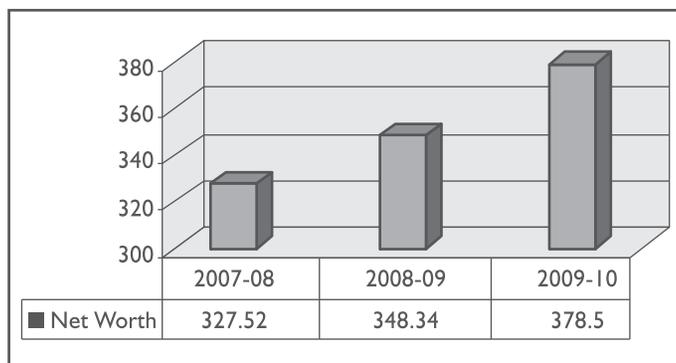
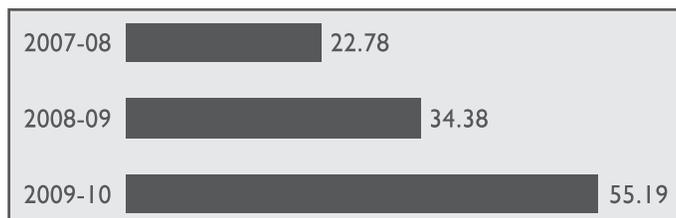
### D. Foreign Exchange Earning and Outgo :

#### 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)

	31.03.2010	31.03.2009
i. Earning by ways of :		
a) Exports	NIL	Nil
b) Service	0.42	3.59
ii. Outgo by way of		
a) CIF value of imports	1743.41	1491.99
b) Travelling & Others	26.26	77.09
c) Capital Goods	268.03	41.85

**Financial Snapshot****EBIDTA****Shareholder Information**

I. Annual General Meeting	:
Date and Time	: 30 <sup>th</sup> Sep., 2010
Venue	: Om Towers, Church Road, M I Road, Jaipur

## 2. Financial Calendar

Financial reporting for the quarter ending June 30, 2010 : End July, 2010

Financial reporting for the quarter ending September 30, 2010 : End October, 2010

Financial reporting for the quarter ending December 31, 2010 : End January, 2011

Financial reporting for the year ended March 31, 2011 : End April, 2011

Annual General Meeting for the year ended March 31, 2011 : End September 2011

3. Registered Office : Om Towers, Church Road, M.I. Road, Jaipur Rajasthan

4. Website : www.ommetals.com

5. Listing on Stock Exchange at

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

Note: Listing Fees has been paid to all the Stock Exchanges as per their schedule

6. Registrar and Transfer Agents (For share transfers and other Communication relating to Share certificates, dividend And change of address) : M/s Skyline Financial Services Pvt. Ltd. 123, Vinobapuri Lajpat nagar New Delhi 110024

7. Nature of complaints received during the year : Two complaints in relating to non -receipt of dividend change of address and Non-receipt of share Certificate/Transfer/ Transmission, etc.

8. Dematerialization of shares and liquidity : As on 31.3.2010 Total shares in Dematerialization form was 8.72 cr. and total Shares of the Company were Rs. 9.63 cr.

9. Investor Correspondence Other than Secretarial Matters : info@ommetals.com

On Secretarial Matters : cs@ommetals.com

10. Major changes in Equity Share Capital during the year : None



# Management Discussion & Analysis

## INTRODUCTION :

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



## RENEWABLE ENERGY IN INDIA : STATUS AND FUTURE PROSPECTS

India's need to increase energy provision for its population and fast growing economy coincides with increased concerns regarding climate change globally. This poses a formidable challenge but is perceived to be a great opportunity for the country to increase the share of renewables in the overall energy mix. India's approach to the global problem is to meet its energy needs in a responsible, sustainable and eco-friendly manner.

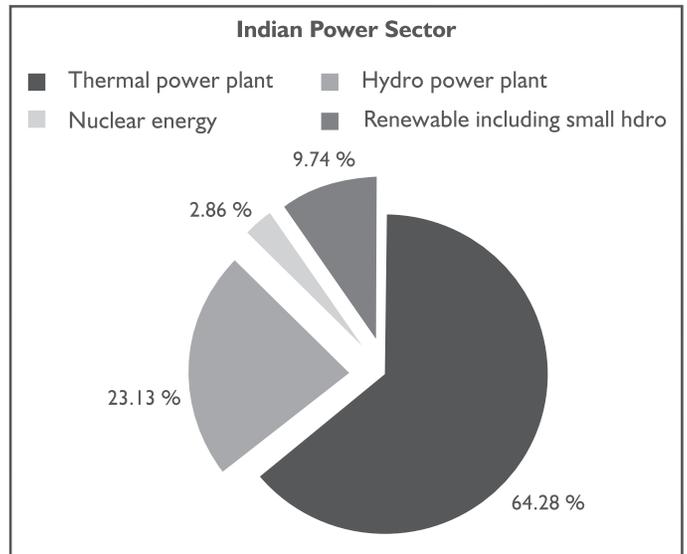
India being a developing and fast-growing large economy faces a great challenge to meet its energy needs in a responsible and sustainable manner. India's task is to provide energy to over 600000 human settlements, spread over 300000 square km of territory, with a population of over one billion which is still growing.

India accounted for 3.7 per cent of the world's commercial energy making it to 5<sup>th</sup> largest consumer of energy globally, with an installed capacity of 160000 MW as of March, 2010.

### INDIAN POWER SECTOR

The consumption of electricity in India rose from 4,157 GWh in 1950 to 38,6134 GWh in 2004 / 05. The per capita consumption was 704.2 kWh in 2007 / 08 as against 329 kWh in 1990 (CEA). Despite the significant growth in electricity generation, shortage of power continues to exist primarily due to the growth in power demand out stripping the growth in generation and generating capacity addition.

India intends to provide a reliable energy supply through a diverse and sustainable fuel mix that addresses major national drivers. The Country has an estimated renewable energy potential of around 85000 MW from commercially exploitable sources: Wind, 45000 MW; small hydro, 15000 MW and biomass/bioenergy, 25000 MW. Further, the



Government is encouraging foreign investors to set up renewable power projects on a 'Build, Own and Operate' basis with 100 per cent foreign direct investment (FBI).

India is continuously aiming to accelerate hydro development by encouraging international partners and investors. It is planned to increase the share of hydro in national electricity supply from 25% to 40% over the next ten years. There is 38243 MW of hydrocapacity under planning to be commissioned by 2017. Majority of the projects are in J & K, Arunachal Pradesh, Himachal Pradesh and Sikkim.

Thermal power stations burning coal provide the bulk of electricity generated in India. The total electric generating capacity under public utilities is around 108000 MW, of which 77000 MW comes from thermal power plants, 27000 MW from hydropower plants, 2700 MW from nuclear and 1700 MW from wind power plants. Our current electric generating capacity is much below the peak demand. Peak Electricity Demand exceeds supply by 13.3% (March 2010, Provisional data by CEA). Even though access to electricity is fairly widespread, electricity supplies are highly uncertain with frequent power outages and poor quality of supplies. This can be a huge impediment to the country's economic development and raising the living standards of the people.

A policy that expands our hydroelectric capacity through large number of small scale-facilities and renewable sources like solar and wind, is preferred. Solar and wind offers tremendous scope for innovation and potential in India. But India doesn't have the luxury to choose one over the other now because it needs to achieve quick capacity additions in the short term to keep the pace of current development going. So we cannot abandon 100 to 200 years worth coal reserves that currently exist in our mines. But, expansion in thermal power generation should be accompanied by substantial increases in investment in environmental controls comparable to western standards. Natural gas is going to play

a major role in the energy mix of our country in the coming decades. Since natural gases cleaner compared to coal and oil, it would be a desirable expansion.

River linking network will provide massive potential for the additional hydroelectric generation capacity other than lots of benefits like bringing more dry land under irrigation, and providing safe drinking water to people in dry areas. These prospects seem quite tempting. But look at the huge economic, political and social costs involved.

Due to its vast market potential for renewable energy projects, and a relatively well developed industrial, financing and business infrastructure, India is perceived as an excellent country for developing Clean Development Mechanism (CDM) projects. As such, India has emerged as one of the most favoured destinations for CDM projects globally, with renewable energy projects having the major share. National renewable energy plans offer ample opportunity for CDM projects and technological innovations, such as biogas for transport application, offer new areas for project development.

The **electricity sector in India** is predominantly controlled by the Government of India's public sector undertakings (PSUs). Major PSUs involved in the generation of electricity include National Thermal Power Corporation (NTPC), National Hydroelectric Power Corporation (NHPC) and Nuclear Power Corporation of India (NPCI). Besides PSUs, several state-level corporations, such as Maharashtra State Electricity Board (MSEB), are also involved in the generation and intra-state distribution of electricity. The PowerGrid Corporation of India is responsible for the inter-state transmission of electricity and the development of national grid.

The Ministry of Power is the apex body responsible for the development of electrical energy in India. This ministry started functioning independently from 2 July 1992; earlier, it was known as the Ministry of Energy. The Union Minister of Power at present is Sushilkumar Shinde of the Congress Party who took charge of the ministry on the 28<sup>th</sup> of May, 2009.

India is world's 6<sup>th</sup> largest energy consumer, accounting for 3.4% of global energy consumption. Due to India's economic rise, the demand for energy has grown at an average of 3.6% per annum over the past 30 years. In March 2009, the installed power generation capacity of India stood at 147000 MW while the per capita energy consumption stood at 612 kWh. The country's annual energy production increased from about 190 billion kWh in 1986 to more than 680 billion kWh in 2006. The Indian government has set an ambitious target to add approximately 78000 MW of installed generation capacity by 2012. The total demand for electricity in India is expected to cross 950000 MW by 2030.

About 75% of the electricity consumed in India is generated by thermal power plants, 21% by hydroelectric power plants and 4% by nuclear power plants. More than 50% of India's commercial energy demand is met through the country's vast coal reserves. The country has also invested heavily in recent years on renewable sources of energy such as wind energy. As of 2008, India's installed wind power generation capacity stood at 9655 MW. Additionally, India has committed massive amount of funds for the construction of various nuclear reactors which

would generate at least 30,000 MW. In July 2009, India unveiled a \$19 billion plan to produce 20,000 MW of solar power by 2020.

Electricity losses in India during transmission and distribution are extremely high and vary between 30 to 45%. In 2004-05, electricity demand outstripped supply by 7-11%. Due to shortage of electricity, power cuts are common throughout India and this has adversely effected the country's economic growth. Theft of electricity, common in most parts of urban India, amounts to 1.5% of India's GDP. Despite an ambitious rural electrification program, some 400 million Indians lose electricity access during blackouts. While 80 percent of Indian villages have at least an electricity line, just 44 percent of rural households have access to electricity. According to a sample of 97882 households in 2002, electricity was the main source of lighting for 53% of rural households compared to 36% in 1993. Multi Commodity Exchange has sought permission to offer electricity future markets.

### Government Initiatives

The government has initiated several steps to open the sector for the private players and realize the full potential of the country in the power sector.

- Introduction of the Electricity Act, 2003 and the notification of the National Electricity Policy, 2005.
- Constitution of Independent State Electricity Regulatory in the states.
- 100 per cent FDI is permitted under the automatic route for generation and transmission of electric energy.
- Providing income tax holiday for a block of 10 years in the first 15 years of operation and waiver of capital goods import duties on mega power projects (above 1000 MW generation capacity).
- The government has also taken up some ambitious programmes like the Ultra Mega Power Projects (UMPP), Rajiv Gandhi grameen vidyutikaran yojna (RGGVY), Accelerated Rural Electrification Programme and the goal of Power for all by 2012 among others, to rapidly increase the installed capacity.
- In the Union Budget of 2010-11, the Finance Minister, Pranab Mukharjee has also announced various initiatives.

### Growth Potential

As per the Economic Survey 2009-10, the Eleventh Five Year Plan envisaged an additional capacity of 78700 MW of which 19.9 per cent was hydro, 75.8 per cent thermal and the rest was nuclear. As of December 31, 2009, 43282 MW under construction.

Public sector power major National Thermal Power Corporation (NTPC) is planning to scale up its capacity from the present 30000 MW to 75000 MW by 2017.

India has launched its ambitious solar energy mission which aims to generate 20000 MW of solar power by 2022.

The government approved the Jawaharlal Nehru National Solar Mission in November 2009, leading the country's efforts to add a significant portion of renewable to the energy mix.



At the same time the government has announced ambitious wind energy targets, to have more than 22,000 MW of wind power capacity in place by 2022. To support this, the government announced new incentives in the industry, which will come into play following the end of the eleventh five year plan (2012). The incentives include subsidies and monetary incentives to electricity producers, as opposed to the previous subsidies, which supported investment in turbines. In terms of investment in energy and utilities infrastructure, there have been a number of power plant projects announced using a variety of fuels including coal, hydropower, solar and nuclear.

## CHALLENGES

- Optimal pricing of power generated from the renewable energy sources.
- Quality and consistency issue of renewable power arising from the intermittent nature of electricity from wind and small hydropower.
- The cost of technology development and production need to be reduced significantly from current levels.
- Availability of financing especially project finance for Renewable.
- Creditworthiness of counterparties has posed challenges.
- Slow pace of rural electrification and pace of reforms in the rural electricity sector.

## TECHNOLOGY CONCERNS

Technology plays a central role in addressing climate change issues. In this context there is a need to treat renewable energy technologies as a 'global common' in the medium term. To begin with these technologies could be placed in the public domain and joint research and development projects could be taken up between the institutions of developed and developing countries. Technology transfer costs could be fixed at no-profit level and the expenditure to be incurred in these acquisitions could be made from a global funds under climate change mechanisms.

The approach in India matches the global aim of ushering in a carbon free economy; and economy based on a fuel mix mainly provided by the green or renewable energy technologies.

For India, new and renewable energy development and deployment is of great importance from the point of view of long term energy supply security, decentralisation of energy supply particularly for the benefit of the rural population, environmental benefits and sustainability. In this context, the Indian renewable energy programme is a goal-oriented effort to meet the country's energy requirement in an environmentally sound way.

Roughly 34000 MW (megawatts) of hydroelectric generation capacity is in place today. Given the resistance to huge dams in recent times, desirability and feasibility of large-scale hydro projects need to be re thought.

A lot of potential in development has to carefully weigh the environmental and social displacement costs a new large-scale hydro facility would entail. Large hydropower projects cannot be carried out as effectively as in the past for many reasons.

Small-scale hydropower is an attractive option because its impact on environment is modest and manageable. As the name suggests, the electricity produced in small hydropower facilities is also modest compared to large generating plants operated by public utilities. In addition to these benefits, small hydro plants have enormous economic benefits and can contribute to the economic development of remote areas that lack access to grid electricity. It has been estimated that around 10000 MW can be generated in the Himalayan states alone through this way. Since these facilities are relatively free from contentious issues plaguing large hydropower projects, the government can support rapid expansion in this area. This makes sound economic sense too because of the low cost, short gestation period, advances in fully automated installations and reductions in manufacturing costs of turbines and generators.

## EMERGING SCENARIO

So far, grid connected renewable energy generation was the main attraction for investors.

However, recently State Bank of India has set up wind farm project for 15 MW, covering TN, Gujarat and Maharashtra, for captive consumption.

Besides, SBI will be eligible now to get carbon credit also due to its clean energy initiatives.

Suzlon Energy was the supplier of wind turbines for this project which was completed in 4 months.

As a corporate social initiative for clean energy drive this is the first initiative in the country.

This sets a new trend in terms of clean energy projects in India and more corporate may follow the footsteps of SBI.

## REAL ESTATE AND INFRASTRUCTURE SEGMENT INDUSTRY OUTLOOK

We expect strong growth in real estate volume in India in all segments, namely residential, commercial and the special economic zone (SEZ) space. We expect the urban housing, which is expected to grow at a CAGR of 14% to remain a key contributor in growth of the residential segment. Investments in commercial real estate to increase 3x in the next five years compared with investments in the past five years, according to Credit Rating Information Services of India Ltd (CRISIL).

Currently, transaction volumes in the real estate market in India are much lower than other emerging economies. For e.g., residential markets in Shanghai absorb 4-5x more space than Mumbai per year. One key reason for the low volume is that real estate in India is more expensive. Some constraints include high transaction costs, low floor-to-area ratio and land acquisition issues. The government is pursuing legislative and regulatory changes to address some of these issues.

However, we believe demand drivers for the real estate sector remain intact. The demand for real estate is driven by strong economic growth, increasing urbanization, rising income, nuclear families and availability of mortgage finance.

Industry on the verge of an investment boom.

Real estate in India has witnessed tremendous boom over past few years and is estimated to be around \$13 billion and is expected to grow at the rate of 30 per cent every year.

The demand from the information technology sector certainly has changed the urban landscape in India. According to estimation in India, there is a demand for nearly 70 million square feet of Information Technology and Information Technology Enabled Services (IT and ITES) space over the next four and five years. Several multinational companies (MNCs) continue to move their organizational operations to India to take advantage of lower manpower and other costs. Providing human resources and home at their work place assumes great significance and therefore, the requirement to create space for people to live and work that in turn causes the development of other related infrastructure. It has been a predominant trend to set up the world's best business centers, often campus-style establishments, bearing a distinguishing corporate stamp. Some of these locations are so distinctive that they are termed as the 'temples of new or modern India'. It is just an indication of the extent to which the development of real estate has been taking place. Real estate investments will grow to INR 18517 billion from INR 10218 billion invested over the past five years (FY02-FY06).

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

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

We expect growth to be more pronounced in the organized sector. Eight large real estate companies have announced launching a plan to develop 336 million square feet over next two years.

In the Union Budget 2010-11, the Finance Minister made the following announcements with regard to the real estate sector :

- Allocation for urban development were increased by more than 75 per cent from US\$ 660.3 million to US\$ 1.17 billion in 2010-11.
- Allocation for housing and urban poverty alleviation were raised from US\$ 183.4 million to US\$ 215.8 million in 2010-11.
- Scheme of 1 per cent interest subvention on housing loan up to US\$ 21,576 where the cost of the house does not exceed US\$ 43153 announced in the last Budget has been extended up to March 31, 2011 and US\$ 151 million has been earmarked for this scheme for 2010-11.

- US\$ 274 million has been allocated for Rajiv Awas Yojna, as compared to US\$ 32.4 million last year.

## CHALLENGES

Currently the real estate market is going through a phase of correction in prices and there are inflated possibilities that the artificially inflated / increased prices are likely to come down.

Before the slow down phase in the past, the projects were sold instantly without any hitch at an exorbitant rate. But that would be a thing of past now. The negative impact is explicitly visible as lots of high-end / cost oriented projects are still lying unsold. In such an eventuality, there may be blessing in disguise as high profile speculators will be out making way for the actual users.

It is but natural that with price correction, the market will turn towards end users thereby enabling the developers to sell out their remaining products.

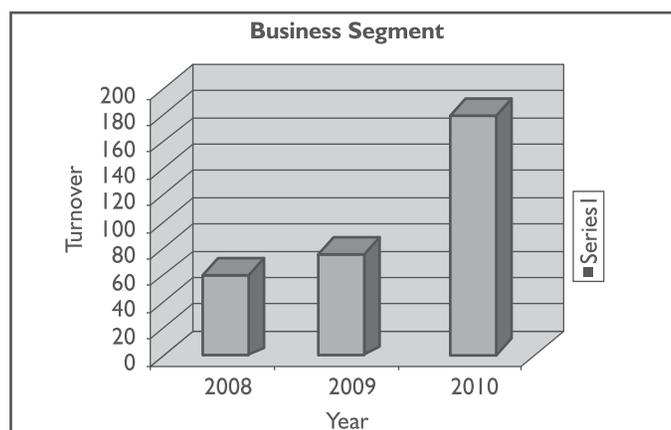
Meanwhile, the beginning of correction phase started with the increase in home loan rates by the banks / government since February / March onwards which mainly, inter alia, eroded the purchasing power of middle and upper middle class majority of whom are covered in the category of end users or actual users. Now the real estate marketing is passing through the scene of wait and watch for seizing the best opportunity clubbed with the hope of reduction in home loan rates.

Next, the real estate market in India remains unorganised, fairly fragmented, mostly characterized by small players with a local presence. Traditionally, real estate developers were viewed with an element of skepticism. Developers were often identified dealing with large amounts of unaccounted money, lacking transparency and would use unscrupulous means to acquire a variety of regulatory approvals.

## BUSINESS SEGMENTS

### ENGINEERING DIVISION

The Company has achieved another milestone by qualifying and securing a civil cum H M components contract for Kalisindh project in Rajasthan. This project enables the Company for backward integration and qualify it for securing civil construction contracts for dams.





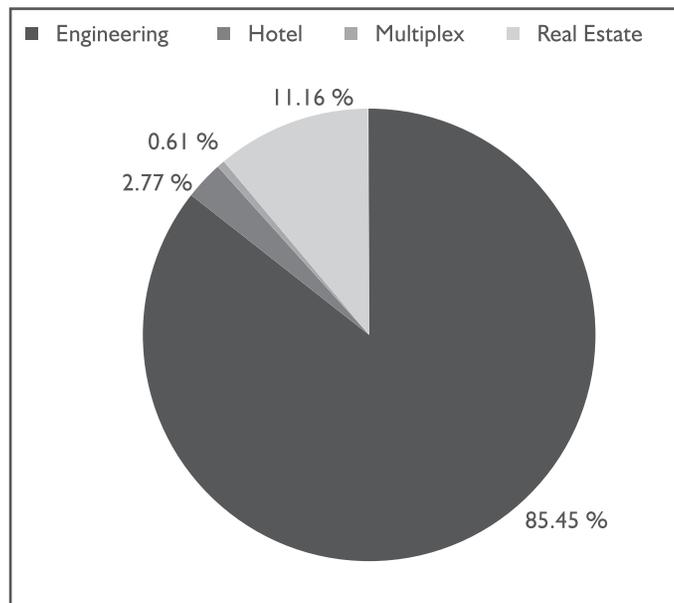
**SALES ENGINEERING DIVISION**

A detailed order book status is given below.

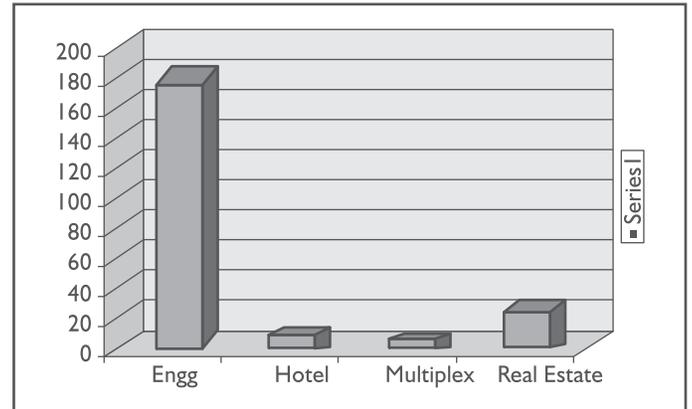
**UNEXECUTED ORDER BOOK - CURRENT STATUS**

Project	Project Authority	Contract Value (Rs. in crore)
Gosikhurd Project	VIDC (Govt. of Maharashtra)	11.12
Kameng H. E. Project (600 MW)	NEEPCO (Arunachal Pradesh)	115.91
Koldam Project (800 MW)	NTPC (Himachal Pradesh)	5.00
Sewa H. E. Project (120 MW)	NHPC (Jammu & Kashmir)	3.00
Uri II H. E. Project (240 MW)	NHPC (Jammu & Kashmir)	20.61
Teesta Low Dam IV H. E. P (160 MW)	NHPC (West Bengal)	27.58
Parbati III H. E. Project (520 MW)	NHPC (Himachal Pradesh)	39.98
Chamera III H. E. Project (231 MW)	NHPC (Himachal Pradesh)	26.42
Vishnugad Tapovan H. E. Project (520 MW)	NTPC (Uttarakhand)	74.00
Madhikheda (MP)		1.24
Sri Pad sagar (Andhra)		84.00
Kalisindh (Rajasthan)	PWD Rajasthan	422.00
<b>TOTAL</b>		<b>830.86</b>

With strong focus on hydro power generation by the Government, we expect our order book position to exceed Rs. 1000 crores mark by end of next year and a target figure of Rs. 2000 crores by 2012.



**SEGMENT OPERATING PROFIT (IN %)**



**REAL ESTATE**

Post successful completion of residential project 'Om Enclave' at Kota, we have launched another project of 2 lac sq. ft. at Kota as OM Urban heights with overwhelming response and we are aiming at completion of this project by March 2012.

In Hyderabad residential project- we have inked a development agreement with Mahindra Life space who shall do complete branding and construction of 1 million sq. ft. residential apartments with all up class amenities and shall hand over 25% of built up space to the SPV company 'Om Metals developer Pvt. Ltd.'

JAIPUR and FARIDABAD projects are facing some sort of litigation and we are hopeful to come over by second quarter of the on going fiscal. Few prestigious realty project in hand are :

Project	Project Location	Proposed Built Up Area_sq. ft. (Om's share)
Bandra Reclamation Residential Apartment	Mumbai	100000
Corporate Park	Faridabad	200000
Residential Township	Hyderabad	80000
Om Urban Heights – Residential	Kota	200000
OM Enclave-Commercial	Kota	350000
IT / Corporate Park	Jaipur	600000
<b>Total</b>		<b>1530000</b>

**MANUFACTURING FACILITIES**

The facilities set up a plant at Tax free Zone of Jammu (J&K), Calcutta Silliguri (West Bengal) and additional capacity at plant at Kota for manufacturing Hydraulic Gates for Hydro Mechanical Works is working in full swing.

**STRATEGIES**

Om Metals is the leading player in the hydro mechanical segment. However the Company is not content with garnering a majority of the market share. Our team at OMIL is always striving to constantly upgrade its benchmarks to meet and conquer the growing competitiveness of

this segment. We will be further consolidating our position as one of India's leading hydro mechanical equipment manufacturers by securing and executing larger and more complex projects.

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

At OMIL, we expect to make a growing, strategic and very opportunistic investment in real estate & infrastructure projects to enhance the shareholder value.

## **RISK MANAGEMENT**

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

### **OPTION I**

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

The Company has in place a code of conduct and high safety standards

in plant operation to protect its employees and the environment. The Company has instituted control bodies which verify important business decisions. Organizational measures are undertaken to prevent the infringement of guidelines and laws.

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

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

#### **Organisational, responsibilities and tools**

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

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

#### **Cautionary Statement**

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



# Report on Corporate Governance

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (the code) through clause 49 in the listing agreement executed by the Company with stock exchanges. Clause 49 lays down several corporate governance practices which listed Companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporate. While most of the practices laid down in clause 49 require mandatory compliance, others are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2009-10.

## COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our corporate governance philosophy is based on the following principles :

1. Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
2. Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
3. Make a clear distinction between personal conveniences and corporate resources.
4. Communicate externally, in a truthful manner, about how the Company is run internally.
5. Have a simple and transparent corporate structure driven solely by business needs.
6. Management is the trustee of the shareholders' capital and not the owner.

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

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

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

## I. BOARD OF DIRECTORS

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

### I.1 COMPOSITION OF THE BOARD

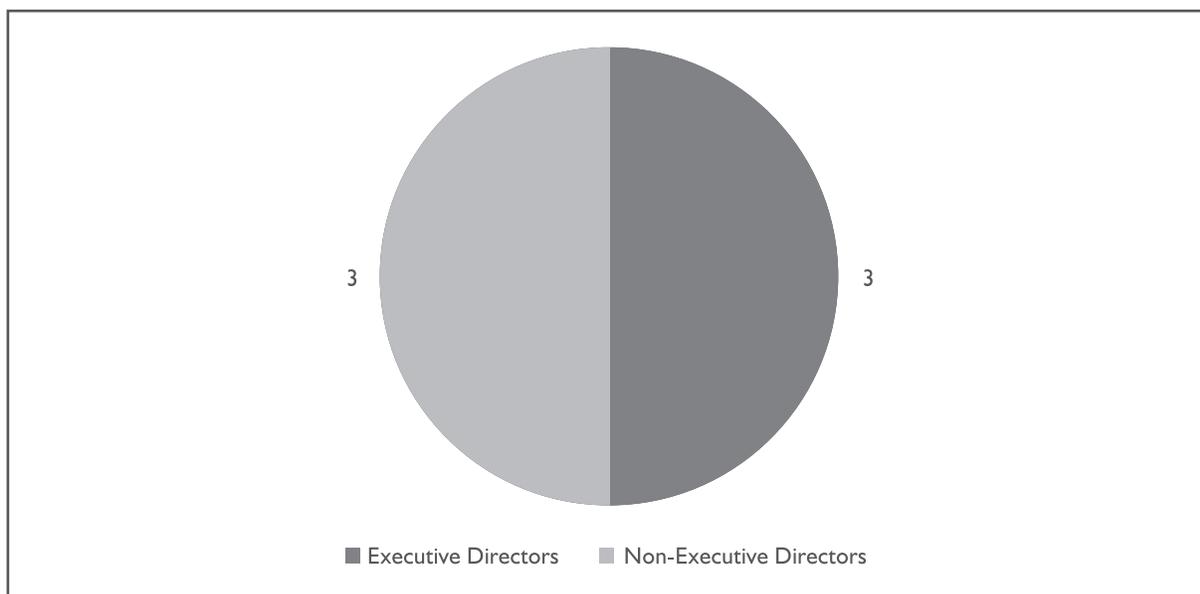
As on 31<sup>st</sup> March, 2010, the Board comprised six directors out of which three are Executive-Directors and three are Non-Executive Directors. Chairman of the Board is also a Non-Executive Director. Out of six Directors two Directors are Independent Directors. The directors bring to the board wide range of experience and skills.

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

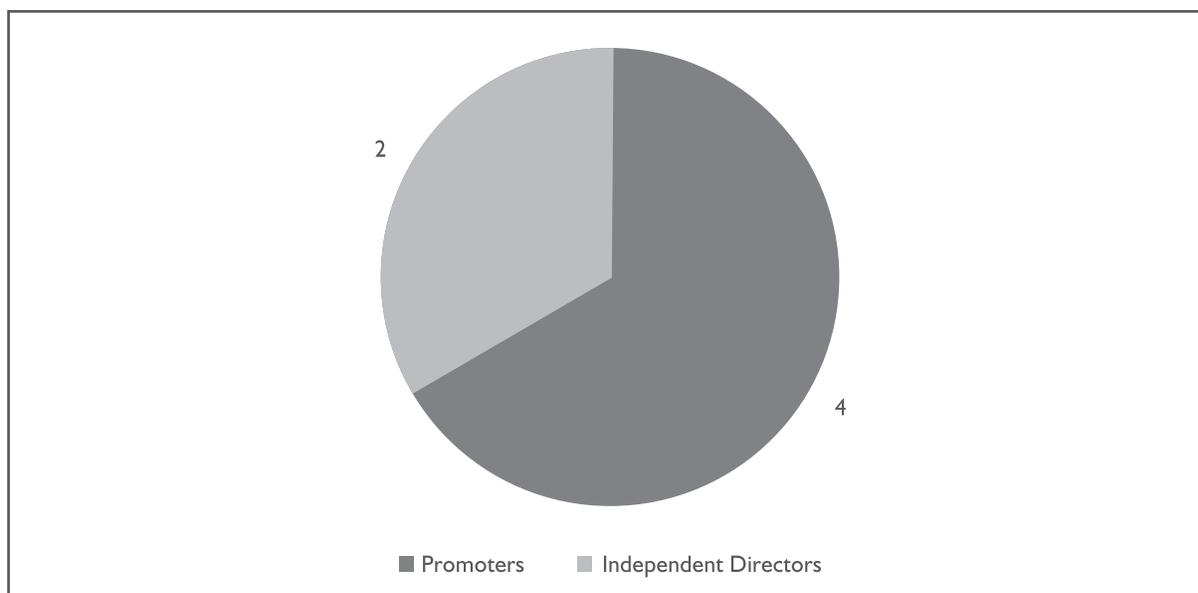
Name of Director	Status / Designation	Category
Dr. T. C. Kothari	Non Executive Chairman	Promoter & Non Executive Director
C. P. Kothari	Managing Director	Promoter & Executive Director
D. P. Kothari	Director	Promoter & Executive Director
Sunil Kothari	Director	Promoter & Executive Director
P. C. Jain	Director	Non Executive Independent Director
Kamal Chandwar	Director	Non Executive Independent Director

The following is the composition of board on 31<sup>st</sup> March, 2010.

As On	Executive Directors	Non-Executive Directors	Total No. Directors
31 <sup>st</sup> March, 2010	03	03	06



As On	Promoters	Independent Directors	Total No. of Directors
31 <sup>st</sup> March, 2010	04	02	06



### 1.2 RESPONSIBILITIES

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

### 1.3 BOARD MEETINGS

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



During the year under review 11 Board Meetings were held as against the minimum requirement of 4 meetings viz; on 25.04.2009, 30.06.2009, 30.07.2009, 21.08.2009, 30.10.2009, 02.11.2009, 04.12.2009, 10.12.2009, 28.01.2010, 05.02.2010 and 22.02.2010

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

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

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

Name of Director	Category	Designation	Attendance Particulars		Directorship of other Indian Companies		Committees' Memberships	
			Board Meetings	Last AGM	Public	Private	Member	Chairman
Dr. T. C. Kothari	Promoter & Non-Executive Director	Chairman	11	Yes	0	0	4	3
C. P Kothari	Promoter & Executive Director	Managing Director	10	No	2	10	-	-
D. P Kothari	Promoter & Executive Director	Whole-time Director	10	Yes	-	06	-	-
Sunil Kothari	Promoter & executive Director	Whole-time Director	11	Yes	0	03	-	-
P. C. Jain	Independent & Non-Executive Director	Director	10	No	-	3	4	-
Kamal Chandwar	Independent & Non-Executive Director	Director	10	No	-	1	3	1

#### Directorships in other Companies

The Directors of the Company also hold positions as directors, committee members, trustees, partners and shareholders in other companies, trusts, associations and firms. The number of committee memberships / chairmanships / committee positions held by the directors in other companies is in compliance with clause 49 of the listing agreement. The necessary disclosures regarding directorships /chairmanships / committee positions have been made by the directors.

#### Functioning of the Management

The day-to day management of the Company is conducted by the Chief Executive Officer & Managing Director subject to the supervision and control of the Board of Directors.

#### Detail of Remunerations / Stock options / Shareholding of Directors / relationship of Directors.

The Company has no pecuniary relationship or transaction with its non-executive directors other than professional fee. The Company has a credible and transparent policy in determining and accounting for the remuneration of the managing / whole-time directors. The remuneration policy is aimed at attracting and retaining high caliber talent. The Company has no stock option scheme.

Details of remuneration paid to Directors of the Company during the year ended 31<sup>st</sup> March 2010 are here as under (In lacs) :

Name of Director and Allowances	Salary and Benefits	Perks Sitting	Consultancy	Fees	Total
Dr. T. C. Kothari	N.A.	NIL	Rs. 1.20	N.A.	Rs. 1.20
C. P Kothari	Rs. 48.00	Rs. 9.36	N.A.	N.A.	Rs. 57.36
D. P Kothari	Rs. 42.00	Rs. 2.50	N.A.	N.A.	Rs. 44.50
SunilKothari	Rs. 48.00	Rs. 2.50	N.A.	N.A.	Rs. 50.00
P. C. Jain	N.A.	N.A.	N.A.	N.A.	NIL
Kamal Chandwar	N.A.	N.A.	N.A.	N.A.	NIL

### Stock Options

During the year, no stock options were granted to the Director of the Company.

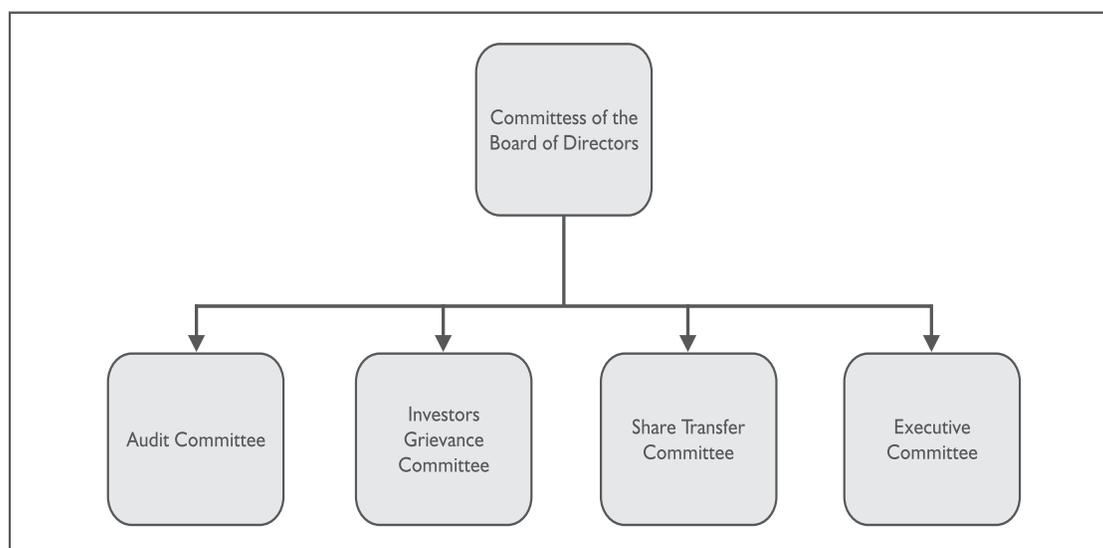
Shareholding of the Directors in the Company as on March 31, 2010

Name of the directors	No. of Shares of Rs. 1/- each held singly or jointly	% to total paid -up capital of the Company
Dr. T. C. Kothari	865400	0.90
C. P. Kothari	5424818	5.63
D. P. Kothari	3564668	3.70
Sunil Kothari	6045108	6.28
P. C. Jain	0	0.00
Kamal Chandwar	0	0.00

Relationships of Directors and their business interest in the Company as on March 31, 2010

Name of the directors	Relationships with other Directors	Relationships with the company, if Any
T. C. Kothari	Father of Mr. C. P. Kothari, Mr. D. P. Kothari and Mr. Sunil Kothari	Promoter
C. P. Kothari	Son of Dr. T. C. Kothari and Brother of Mr. D. P. Kothari & Mr. Sunil Kothari	Promoter
D. P. Kothari	Son of Dr. T. C. Kothari and Brother of Mr. C. P. Kothari & Mr. Sunil Kothari	Promoter
Sunil Kothari	Son of Dr. T. C. Kothari and Brother of Mr. C. P. Kothari & Mr. D. P. Kothari	Promoter
P. C. Jain	None	None
Kamal Chandwar	None	None

## 2. COMMITTEES OF THE BOARD OF DIRECTORS



### 2.1 AUDIT COMMITTEE

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



### Constitution and composition of the committee

The Board of Directors of the Company had constituted an Audit committee in December 2000 and the Audit committee comprises of three independent Non-Executive Directors viz; Dr. T. C. Kothari, Mr. P. C. Jain and Mr. Kamal Chandwar.

The Chairman of the committee is Mr. Kamal Chandwar.

Constitution of audit committee and other related information as on 31st March 2010 are as under:

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

### Scope of the Audit Committee

Terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies act, 1956 and are as follows :

- 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.

### Meetings

During the Financial year 2009-10, 4 Audit Committee Meetings were held on

24.06.2009, 27.07.2009, 27.10.2009 and 28.01.2010.

## 2.2. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

### Composition

The Board of Company has constituted a Shareholders' grievance Committee, comprising Dr. T. C. Kothari, Mr. Kamal Chandwar and Mr. P. C. Jain. Dr. T. C. Kothari, Non- Executive Director is Chairman of the Committee.

### Scope of the committee

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

### Meetings

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

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

<b>Nature of complaints</b>	<b>No. of complaints received</b>	<b>No. of complaints resolved</b>
Change of Address	0	0
Non-receipt of share certificate / Transfer / Transmission	0	0
Non-Receipt of dividend	0	0
Others	2	2
<b>Total</b>	<b>02</b>	<b>02</b>

The Company and the Registrar & Transfer Agents have attended to most of the shareholder's correspondence within a period of 15 days from date of receipt of correspondence during the year 2009-10.

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

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

### 2.3 SHARE TRANSFER COMMITTEE

The share transfer Committee oversees the issue relating to shares including transfer, transmission of shares etc.

#### Composition

The Share transfer committee of the Company comprises of two directors, one of whom is executive and the other being non executive.

The committee was reconstituted on January 1, 2009 with Dr. T. C. Kothari as the chairman and Mr. P. C. Jain as the member.

#### Meeting details

The committee meeting is normally held twice in a month on a fortnightly basis and the committee met 12 times during the financial year 2009-10. The attendance of the member of the share transfer committee recorded is as under:

<b>Name of Director</b>	<b>Status during his tenure</b>	<b>No. of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Dr. T. C. Kothari	Chairman	12	12
Mr. P. C. Jain	Member	12	12

### 2.4 EXECUTIVE COMMITTEE

In order to deal with administrative and routine matters, an executive committee of the board was constituted.

#### Composition

The executive of the Company comprised of three directors, two of whom are non executive and one being executive. The Committee was reconstituted on January 1, 2009 with Dr. T. C. Kothari as the chairman, Mr. P. C. Jain, Mr. Kamal Chandwar as Member.

#### Declaration under Clause 49 of the Listing Agreement

This to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is displayed on the Company's website.

I confirm that the Company has in respect of the Financial Year ended March 31, 2010 received from each Member of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct as applicable to each one of them.

Place : New Delhi  
Dated : 28.05.2010

Sd/-  
**C. P. Kothari**  
Managing Director



**Subsidiary Company**

During the year, the board took on record the minutes of the meetings of the Board of directors of the subsidiary companies. Om Metals Auto (P) Limited. Indian subsidiary of the Company falls under the terms "material non-listed Indian subsidiary" as defined under clause 49 of listing agreement.

**3. 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.

**4. INVESTOR RELATIONS**

**4.1 Means of Communication**

- The means of communication between the Company and the Shareholder are transparent and friendly.
- The Company does not have a system of sending results to shareholders individually but queries, if any, are replied immediately.
- During the financial year 2009-10, quarterly unaudited financial results generally published in Economic Times, Hindustan Times. 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.
- All new information are also invariably posted in Companies portal [www.ommetals.com](http://www.ommetals.com)

**4.2 General Body Meetings**

The AGM provides an opportunity for the shareholders to seek clarification and to obtain a better understanding of Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

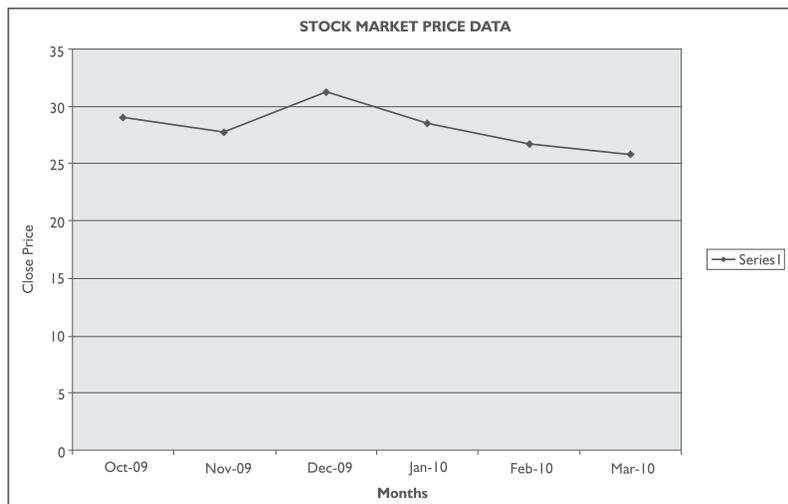
Details of Annual General Meetings held during last three years are here as under :

AGM for Financial year ended	Date	Time	Location
2006-07	29.09.2007	11:00 a.m.	Om Tower, M.I. Road, Jaipur
2007-08	30.09.2008	11:00a.m.	Om Tower, M.I. Road, Jaipur
2008-09	30.09.2009	11:00a.m.	Om Tower, M.I. Road, Jaipur

**Resolution passed through Postal Ballot**

None of the resolution was passed through the Postal Ballot during the year 2009-10.

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



**Distribution of Shareholding as on March 31, 2010.**

No. of Shares	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 - 500	8207	70.89	1701535.00	1.77
501 - 1000	1509	13.03	1320158.00	1.37
1001 - 2000	754	6.51	1216100.00	1.26
2001 - 3000	290	2.50	759030.00	0.79
3001 - 4000	121	1.05	448988.00	0.47
4001 - 5000	190	1.64	923960.00	0.96
5001 - 10000	217	1.87	1690082.00	1.75
100001 and above	289	2.50	88243956.00	91.63
<b>Total</b>	<b>11577</b>	<b>100.00</b>	<b>96303809.00</b>	<b>100.00</b>

**Distribution of Shareholding (as on 31st March, 2010)**

Category	No. of Shareholders	No. of Shares held	% of Total
Promoters	34	67055929	69.63%
Mutual Funds and UTI	1	4113441	4.27%
FII's	3	327000	0.34%
Corporate Bodies	456	10964985	11.39%
Indian Public	10955	13270321	13.78%
NRIs/OCBs	128	572133	0.59%
Trusts	0	0	0
Any Other (specify) (Clearing houses & Clearing members)	0	0	0
<b>Total</b>	<b>11577</b>	<b>96303809</b>	<b>100.00</b>

**Dematerialisation of Shares and liquidity**

As on 31<sup>st</sup> March 2010, 87208337 Equity Shares i.e. 90.56% 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, Koldam in Himachal Pradesh, Siliguri in West Bengal, Goshikhurd in Maharashtra, Sewa in Jammu & Kashmir, and various other projected sites.

**Address for Investor Correspondence**

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

M/s Skyline Financial Services Pvt. Ltd.  
 246, Sant Nagar, East of Kailash, 1st Floor, New Delhi - 110024  
 Tel: 011-29833777  
 Fax: 011-29848352  
 E-mail: skyline\_fspl@rediffmail.com



**Non-Mandatory requirements under clause 49 of the listing agreement**

1. The Board: The separate office is maintained for the non-executive chairman and the Company reimburses expenses incurred by the non-executive chairman in performance of his duties, if applicable.

No specific tenure has been specified for the Independent Directors but they are liable to retire by rotation and seek re-election by the Shareholders.

2. Shareholder's Rights: The Company publishes the financial results in the newspapers where its registered office is situated, Abridged Annual Report is also sent individually to the shareholders of the Company.
3. Whistle - Blower Policy: The Company promotes a favourable environment for employees to have an open access to the respective Functional Heads, Head-HRD, Managing directors as well as Chairman so as to ensure ethical and fair conduct of the business of the Company.

# Certificate of Whole-time Director in Financial Statements Under Clause 49 of the Listing Arrangement

Dear Sir,

**Sub: CEO Certificate**

(Issued in accordance with the provision of the clause 49 of the Listing Agreement)

We, C. P. Kothari, Managing Director and D. P. Kothari, Whole-time Director Om Metals Infraprojects Limited hereby confirm that :

- a) We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2010 and that to the best of our knowledge and belief :
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that :
  - I. There have been no significant changes in internal control over financial reporting during the year;
  - II. There have been no significant changes in accounting policies during the year; and
  - III. There have been no instances of significant fraud of which we have become aware and the inconvenient therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Dated : 28.05.2010

Sd/-  
**C. P. Kothari**  
Managing Director

Sd/-  
**D. P. Kothari**  
Whole-time Director



Om Metals Infra Projects Ltd.

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

## OM METALS INFRAPROJECTS LTD.

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

To,

The Members of Om Metals Infraprojects Limited.

We have examined the compliance of conditions of corporate governance by Om Metals Infraprojects Limited for the year ended on 31<sup>st</sup> March 2010, 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 31<sup>st</sup> March 2010, no investor grievances are pending against the Company as on 31<sup>st</sup> March 2010 as per records maintained by the Company and presented to the Investors Grievance Committee.

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

Sd/-

**S. K. Mahipal**

Partner

Place : Kota

Dated : 28.05.2010

For and on Behalf of  
**M. C. Bhandari & co.**  
Chartered Accountants

# Auditor's Report

## To the Members of

### Om Metals Infra-projects Limited

1. We have audited the attached balance sheet of M/s. OM METALS INFRA PROJECTS LIMITED, JAIPUR, as at 31.03.2010 and also the profit and loss account and the cash flow statement of the Company for the year ended on that date annexed thereto, in which are incorporated financial statements of Engineering, Real Estate & Hotel Divisions of the Company audited by other auditors. 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 auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence, supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principal used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 (as amended) issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Engineering, Real Estate and Hotel divisions not visited by us. The branches/divisions Auditor's reports have been forwarded to us and have been appropriately dealt with.
  - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account and with the final statement of accounts, audited by other auditors of the Engineering, Real Estate 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, the Company has not complied with the requirements of AS – 15 relating retirement benefit so far as it relates to provision of the liability as per actuarial valuation and its disclosures in the statement of accounts. The impact of this non compliance in the figures of current liability (Provisions) and profits could not be given due to non availability of actuarial valuation of the above liability.
  - e) On the basis of written representations received from the directors, as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31.03.2010 from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India except where otherwise stated.
    - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31.03.2010 and
    - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date and
    - iii. in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

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

Sd/-

**S. K. Mahipal**

Partner

M.No.70366

Place : Rajasthan

Dated : 28.05.10



## Annexure

### **ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/S OM METALS INFRAPROJECTS LIMITED, JAIPUR (RAJ.) ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2010**

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., Real estate and Hotel of the Company.

#### **I. IN RESPECT OF ITS FIXED ASSETS.**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation on fixed assets.
  - b) The management has carried out a physical verification of most of its fixed assets during the year and has a program to verify fixed assets physically in a phased manner. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.
  - c) The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
2. a) The inventory other than goods in transit of the Company has been physically verified during the year by the management at the year end. In our opinion, the frequency of such 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 were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of records of inventory, we are of the opinion that the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material, having regard to the size or the operations of the Company and have been properly dealt within the books of account.
3. In respect of the loans, secured or unsecured, granted by the Company to companies, firm or other parties covered in the register maintained under section 301 of the Companies act, 1956.
    - a) The Company has granted loans and advances to 7 Parties (Subsidiary, JV & Others). In respect of the said loan, the maximum amount outstanding at any time during the year is Rs. 8419.17 lacs (Previous year Rs. 7615.28 lacs) and year end balance of Rs. 8301.25 lacs (previous year Rs. 7615.28 lacs).
  - b) In our opinion and according to the information and explanations given to us, the aforesaid loan is interest free and other terms & conditions are not prima-facia prejudicial to the interest of the Company.
  - c) The said interest free loan given to subsidiary, joint ventures and others of the Company is repayable on demand and there is no repayment schedule.
  - d) In respect of loans and advances granted by the Company, the same is repayable on demand and therefore the question of overdue amount does not arise.
  - e) The Company has not taken any loans, secured or unsecured from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of clauses 4 (iii)(f) and (g) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the Company.
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 are 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/ major weaknesses in such internal control system.
  5. a) According to the information and explanations provided by the management, we are of the opinion that the particulars of Contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangement exceeding value of Rs. Five Lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  6. According to the information and explanations given to us, the Company has not accepted any deposits from the Public. Therefore the provisions of clause (vi) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
  7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  8. According to the information and explanation given to us, maintenance of cost records have not been prescribed by the central Govt. under section 209 (1) (d) of the Companies Act, 1956 to any product of the Company.
  9. a) According to the information and explanations given to us and the books & records of the Company examined by us,

the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax / VAT, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. However in some cases TDS, PF and ESI dues have been deposited beyond the stipulated time limit.

b) According to the information and explanations given to us,

no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax / VAT, wealth tax, service tax, customs duty, excise duty, cess were in arrear, as at 31<sup>st</sup> March, 2010 for a period of more than 6 months from the date they became payable.

c) According to the information and explanations given to us, the following are the details of the disputed statutory dues that were not deposited with the appropriate authorities.

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Demand Amount (Rs. in lacs.)	Period to which the amount relates
Central Sales Tax Act, 1956. and Sales Tax/VAT Act of various states	Sales Tax	Commissioner (Appeals) / Tribunal.	147.49*	1984-85, 1985-86, 1990-91 to 1991-92, 1993-94, 1994-95, 2005-2006 & 2006-2007.
		High court	24.10	1986-87 & 2003-2004
Central Excise Act, 1944	Excise Duty	Tribunal / Commissioner (Appeal)	179.35	1997-98, 2001 to 2009-10
Income Tax Act, 1961	Income Tax	ITAT	2.44**	1991-92, 96-97
		High Court	241.66**	2005-2006 & 2006-2007
Service Tax Rules	Service Tax	Commissioner (Appeals) / Tribunal	143.73	2003-2004 to 2005-2006
Wealth Tax Act.	Wealth Tax	ITAT	1.13**	1991-1992

Note : 1)\* Against it, the Company paid Rs. 46.76\* lacs and \*\* Rs. 245.15 lacs

2) Amount as per demand orders including interest and penalty wherever mentioned in the order.

10. The Company does not have accumulated losses at the end of the financial year March 31, 2010. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2009 and in the immediately preceding financial year ended March 31, 2009.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks during the year.

12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, Paragraph 4 (xii) of the order is not applicable.

13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's report) order 2003 are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments other than in mutual fund investment.

15. According to the information and explanations given to us, the Company has given guarantee for loan taken by its Joint Ventures from bank, the terms and conditions whereof in our opinion are not prima-facie pre judicial to the interest of the Company.

16. To the best of our knowledge and belief and according to the information 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 overall examination of the Balance sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.

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

19. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures, paragraph 4 (xix) of the order is not applicable.

20. During the year the Company has not raised any money by public issue.

21. Based upon the audit procedures performed and information and explanations given to us 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, 2010.

For **M. C. Bhandari & Co.**  
Chartered Accountants

Sd/-

**S. K. Mahipal**  
Partner  
M.No.70366

Place : Kota  
Dated : 28.05.10

**Balance Sheet** as at March 31, 2010

Particulars	Schedules	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SOURCES OF FUNDS :</b>			
<b>Share Holder's Funds :</b>			
Share Capital	1	96303809.00	96303809.00
Reserves & surplus	2	3688743138.32	3387059090.70
		<b>3785046947.32</b>	<b>3483362899.70</b>
<b>Loan Funds :</b>			
Secured Loans	3	459738677.06	985897695.81
		<b>459738677.06</b>	<b>985897695.81</b>
<b>Deferred Tax Liabilities (Net)</b>			
		53157992.00	34715258.00
<b>Total Sources of Funds</b>		<b>4297943616.38</b>	<b>4503975853.51</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	4	1664411809.24	1569862217.27
Less : Depreciation to date		305827868.92	239964005.26
		1358583940.32	1329898212.01
Add :capital work in progress/Advance		13504354.50	19746633.50
		<b>1372088294.82</b>	<b>1349644845.51</b>
<b>Investments</b>			
	5	528750421.77	424666952.41
<b>Current Assets, Loans &amp; Advances</b>			
Inventories		524799759.99	694530736.10
Sundry debtors		740366616.29	401273396.45
Cash and bank balances		701043553.41	1425105985.22
Loans and advances		1326937415.86	1008947745.06
		3293147345.55	3529857862.83
<b>Less : Current liabilities &amp; Prov.</b>			
Liabilities	7	668598238.76	651775392.24
Provisions	8	238879075.00	171288148.00
		<b>2385670031.79</b>	<b>2706794322.59</b>
<b>Miscellaneous Expenditures</b>			
(To the extent not written off or adjusted )	9	11434868.00	22869733.00
<b>Total application of funds</b>		<b>4297943616.38</b>	<b>4503975853.51</b>

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

As per our Report of even date annexed

For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**  
Chartered Accountants

sd/-  
**T. C. Kothari**  
Chairman

sd/-  
**C. P. Kothari**  
Mg. Director

sd/-  
**D. P. Kothari**  
Director

sd/-  
**S. K. Mahipal**  
Partner  
M.No. 70366

sd/-  
**Sunil Kothari**  
Director

sd/-  
**Reena Jain**  
Company Secretary

sd/-  
**S. K. Jain**  
CFO

Place : Kota  
Dated : 28.05.2010

# Profit and Loss Account for the year ended March 31, 2010

Particulars	Schedules	2009-10 (Rs.)	2008-09 (Rs.)
<b>INCOME :</b>			
Turnover	10	2021666846.27	1054361448.29
Less : Excise duty on sales of Engg. goods		55230522.00	25499357.00
		<b>1966436324.27</b>	<b>1028862091.29</b>
Other Income	11	89881302.01	129554766.00
Increase (decrease) in stocks	12	-210210980.52	103736916.52
<b>Total</b>		<b>1846106645.76</b>	<b>1262153773.81</b>
<b>EXPENDITURE :</b>			
Material consumed / Trading Purchases	13	872043564.15	464772294.96
Payments to & prov. for employees	14	71343901.39	53414245.22
Manufacturing & Operating Expenses	15	221771801.26	159774146.61
Establishment & selling expenses	16	129027679.36	138173960.69
Financial expenses	17	72654832.32	116591540.78
		<b>1366841778.48</b>	<b>932726188.26</b>
Profit before depreciation & taxation		479264867.28	329427585.55
Less : Depreciation		65863863.66	48581781.51
Less : Transferred from revaluation reserve		260025.22	299373.06
		<b>65603838.44</b>	<b>48282408.45</b>
Profit before taxation		413661028.84	281145177.10
Less : Provision for income tax		70000000.00	34000000.00
Less : Provision for wealth Tax		82000.00	625000.00
Add : MAT credit entitlement		0.00	1445815.00
Less : Provision for fringe benefit tax		0.00	1681550.00
Less : Deferred tax charge/(Credit)		18442734.00	(1945057.00)
Profit after tax		<b>325136294.84</b>	<b>248229499.10</b>
Balance brought forward from previous year		816685335.53	641909910.55
Add:Corporate Dividend Tax Written Back		0.00	1636684.00
<b>Profit available for appropriation.</b>		<b>1141821630.37</b>	<b>891776093.65</b>
<b>Appropriations</b>			
Transfer to General Reserve		35000000.00	24000000.00
Proposed Dividend on equity Shares - Interim		19260762.00	9630381.00
Corporate dividend Tax		3273366.00	1637165.00
Income Tax Exp. Earlier Year		658094.00	39823212.12
Balance carried to balance sheet		1083629408.37	816685335.53
		<b>1141821630.37</b>	<b>891776093.65</b>
Basic and Diluted Earning per Share (Rs.)		3.38	2.58
Nominal value of share (Rs.)		1	1

The schedule referred to above and the notes on Accounts form an integral part of the Profit and Loss Account

As per our Report of even date annexed

For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**

Chartered Accountants

sd/-

**S. K. Mahipal**

Partner

M.No. 70366

Place : Kota

Dated : 28.05.2010

sd/-

**T. C. Kothari**

Chairman

sd/-

**Sunil Kothari**

Director

sd/-

**C. P. Kothari**

Mg. Director

sd/-

**Reena Jain**

Company Secretary

sd/-

**D. P. Kothari**

Director

sd/-

**S. K. Jain**

CFO



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
101600000 Equity Share of Rs.1/- each	101600000.00	101600000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
96303809 Equity Share of Rs.1/- each	96303809.00	96303809.00
<b>Total</b>	<b>96303809.00</b>	<b>96303809.00</b>

- Notes :
- 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.
  - Above issued, subscribed and paidup capital includes :-
    - 42554000 nos. of fully paid Equity Share of Rs.1/- each were allotted as bonus shares by way of capitalisation of reserves and Profit & Loss Account
    - 20112659 Shares of Rs. 1 each have been allotted for consideration other than cash, pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Rajasthan dated 19.01.2007 to the share holders of erstwhile :-
 

Om Rajasthan Carbide Limited	5476259	equity shares
Jupiter Manufacturing Co. (P) Limited	5318400	equity shares
Om Structural India (P) Limited	5808000	equity shares
Om Kothari Cement & Chemicals (P) Limited	1410000	equity shares
SAH Buildcon (P) Limited	1050000	equity shares
Richa Builders (P) Limited	1050000	equity shares
<b>Total :-</b>	<b>20112659</b>	
  - Out of the shares issued under scheme of amalgamation, 5044160 shares, shall remain in lock in period for three years from the date of listing at BSE i.e. 19.03.2007

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2009 (Rs.)
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>A. Revaluation Reserve</b>				
As per last balance sheet	4017828.92		4317201.98	
Less: - Transferred to P & L A/c	260025.22		299373.06	
		3757803.70		4017828.92
<b>B. Capital Reserve</b>				
As per last Balance sheet		1231810945.25		1231810945.25
<b>C. Security Premium</b>				
As per last balance sheet		1224764600.00		1224764600.00
<b>D. General Reserve</b>				
As per last balance sheet	109780381.00		76150000.00	
Add:- Transferred from P & L A/c*	35000000.00	144780381.00	33630381.00	109780381.00
<b>E. Surplus</b>		1083629408.37		816685335.53
(Profit as per profit and loss account annexed)				
<b>Total</b>		<b>3688743138.32</b>		<b>3387059090.70</b>

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>A) TERM LOAN</b>		
From SBBJ	99437897.91	329617652.65
See note No.1 (a)		
From Others banks	86198452.32	131296167.50
See note No.1(b)		
<b>Sub-Total</b>	<b>185636350.23</b>	<b>460913820.15</b>
<b>A) WORKING CAPITAL LOAN</b>		
From Banks (Rupee loan)	223659175.83	348115498.66
(See note No.2)		
<b>B) SHORT TERM LOAN AGAINST FDR</b>		
From Bank	50443151.00	176868377.00
(See note No.3)		
<b>Sub-Total</b>	<b>274102326.83</b>	<b>524983875.66</b>
<b>Total</b>	<b>459738677.06</b>	<b>985897695.81</b>

**Note:**

1. Term Loan includes Rs. 1252.64 lacs due with in a year (previous year Rs. 2297.93 lacs)

**Note:**

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

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

- b) Secured by way of Hyp. of vehicles / Machinerics financed by other banks.
2. Cash credit loans from banks are secured by way of hypothecation of all stocks and book debts on ranking pari - passu basis inter se between the lender. These loans are further secured / to be secured on pari-passu charges by way of first charge by way of mortgage, by deposit of title deeds in respect of immovable properties and second charges on all the assets of the Company (except on which secured loans taken from banks and other parties) & personal guarantees of the Shri T. C. Kothari , Shri C. P. Kothari, Shri D. P. Kothari, and Sunil Kothari Directors of the Company and further secured by way of equitable mortgage of land & building belonging to Jupiter Metals Pvt. Ltd. and Hypothecation of Plant & machinery of OMML JSC JV Kameg (Arunachal Pradesh).
3. Secuerd 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 i.e. Shri T. C. Kothar, Shri C. P. Kothari, Shri. D. P. Kothari and Sunil Kothari of the Company and further secured as collateral securities as mentioned above (2) & (3) on ranking pari-passu basis inter se between the lender.



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

## SCHEDULE - 4

Particulars	As at 01.04.2009	Additions	Sales/ Transfer	Total Cost As at 31.03.2010	Depreciation Up to 31.03.2010	Depreciation During The Year	Transfer Written Back	Total Depre- Ciation	W.D.V. 31.03.2010	W.D.V. 31.03.2009
Free Hold Land	127213160.00	0.00	0.00	127213160.00	0.00	0.00	0.00	0.00	127213160.00	127213160.00
Lease hold land including Tanancy right	722436047.00	1635092.00	0.00	724071139.00	569834.74	43313.00	0.00	613147.74	723457991.26	721866212.26
Agriculture Land	557714.02	0.00	0.00	557714.02	0.00	0.00	0.00	0.00	557714.02	557714.02
Building / Temp. Labour Quarter Shed	303925405.53	10424145.00	0.00	314349550.53	58971660.55	13107242.61	0.00	72078903.22	242270647.31	244953744.92
Plant & Machinery	320970402.01	52657605.50	0.00	373628007.51	117074776.14	31619976.50	0.00	148694753.00	224933254.51	203895625.87
Furniture & Fixture	32882026.81	7354478.47	0.00	40236505.28	17416325.67	4051703.80	0.00	21468029.47	18768475.81	15465701.14
Office Equipments	10181142.80	1878323.00	0.00	12059465.80	5169014.55	911577.00	0.00	6080591.75	5978874.05	5012128.25
Computer	7647858.83	474195.00	0.00	8122053.83	5236599.63	1162625.44	0.00	6399225.08	1722828.75	2411259.20
Vehicle	24637760.83	9648353.00	0.00	34286113.83	16115097.72	4490035.31	0.00	20605133.03	13680980.80	8522663.11
Temp. Wooden Hut	19410701.00	10477400.00	0.00	29888101.00	19410701.00	10477390.00	0.00	29888091.00	10.00	0.00
<b>Total</b>	<b>1569862217.27</b>	<b>94549591.97</b>	<b>0.00</b>	<b>1664411809.24</b>	<b>239964005.26</b>	<b>65863863.66</b>	<b>0.00</b>	<b>305827868.92</b>	<b>1358583940.32</b>	<b>1329898212.01</b>
Figures for the previous year	1493381997.38	91948343.41	15468122.00	1569862217.27	197695984.31	48581781.51	6313761.12	239964005.26	1329898212.01	129568013.07

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	No.	Face Value	As At	
			31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 5</b>				
<b>I A) LONG TERM INVESTMENTS</b>				
(Government and other securities (unquoted))				
National Saving Certificate (Deposited with in Sales Tax Dept. interest is to be adjusted on realisation)				
			30000.00	30000.00
<b>B) OTHER INVESTMENTS INCL. JV (UNQUOTED)</b>				
Ordinary Share (Fully paid up)				
Sanmati Resorts Ltd.	500000	10.00	5000000.00	5000000.00
Sanmati Infra Developers Pvt. Ltd. (Share Warrants)	450000	10.00	4500000.00	4500000.00
Om Metals Developers Pvt. Ltd.	750	10.00	0.00	7500.00
Pondicherry Port Ltd. (J.V.)	25000	10.00	249960.00	249960.00
Om Gaima Pvt. Ltd. (J.V.)	4900	10.00	49000.00	49000.00
			<b>9798960.00</b>	<b>9806460.00</b>
<b>C) OTHER INVESTMENTS (QUOTED)</b>				
Ordinary Share/Mutual Funds (Fully paid up)				
Manglam Timber Ltd.	800	10.00	17040.00	17040.00
Reliance Capital Ltd.	3	10.00	897.00	897.00
Reliance Communication Ltd.	60	5.00	8972.00	8972.00
Reliance Infrastructure Ltd.	4	10.00	1196.00	1196.00
Reliance Natural Resources Ltd	60	5.00	8972.00	8972.00
Reliance Industries Ltd.	100	10.00	17963.00	17963.00
State Bank of India	50	10.00	5000.00	5000.00
Century Enka Ltd.	20	10.00	6000.00	6000.00
Shiv Vani Oils Ltd.	30489	10.00	14559628.93	15044584.93
JM Emerging Leaders Fund	311964	16.03	5000000.00	5000000.00
JM Basic Fund Growth Plan	196036	6.59	1292774.00	1292774.00
DSP Blackrock Tigre Growth Fund	232317	10.53	2445744.00	2445744.00
Reliance Vision Growth Plan	8560	128.82	1102698.61	1102698.61
Reliance Banking Fund Growth Plan	70902	70.52	2603726.42	2603726.42
Sundram BNP Capex Growth Plan	90546	11.72	1061285.00	1061285.00
SBI Megnum Equity Fund	150000	10.00	1500000.00	0.00
			<b>29631896.96</b>	<b>28616852.96</b>



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	No.	Face Value	As At	
			31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 5</b>				
<b>D) INVESTMENT IN SUBSIDIARY</b>				
Om Metal Real Estate Pvt. Ltd. (Subsidiary)	10000	10.00	100000.00	100000.00
Om Metal Auto pvt. Ltd. (Subsidiary)	275500	10.00	25255000.00	5255000.00
Om Metal Auto pvt. Ltd. (Subsidiary) (Share Application)	0	0	0	20000000.00
Om Auto Motors Pvt. Ltd.	9997	10	99970.00	0.00
Om Paradise and Malls Pvt. Ltd.	9997	10	99970.00	0.00
			<b>25554940.00</b>	<b>25355000.00</b>
<b>E) INVESTMENT IN J V / PARTNERSHIP</b>				
(Refer note no-.16.)				
Om Metals Consortium (Capital contri.) (Net)			330346510.94	305353819.00
OMIL-JSC (Capital contri.) (Net) JV			126272863.87	48767590.45
Om Ray Construction - JV			6737230.00	6737230.00
OMIL SPML JV (Road)			378020.00	0.00
			<b>463734624.81</b>	<b>360858639.45</b>
<b>Grand Total</b>			<b>528750421.77</b>	<b>424666952.41</b>

**NOTE:**

I. Aggregate value of investments	Quoted	296.32	286.17
	Unquoted	353.24	351.76
	Market price -quoted		116.55

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>I INVENTORIES</b>		
<b>A RAW MATERIAL &amp; STORES</b>		
i) Raw material, accessories & components food beverage & liquor	49861893.80	141364404.45
ii) Store & spares and coal	901027.37	2683788.91
iii) Goods in transit	0.00	2779564.00
<b>B FINISHED GOODS</b>		
i) Fabricated goods	21717317.00	25015173.00
ii) Real Estate Works	0.00	0.00
<b>C WORK IN PROGRESS</b>		
i) Engineering division including real estate	174422362.00	384360488.52
ii) Real Estate Less Advance	278640357.82	138167774.69
<b>D OTHERS</b>	0.00	159542.53
<b>Sub Total (A)</b>	<b>524799759.99</b>	<b>694530736.10</b>

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 6</b>		
<b>2. SUNDRY DEBTORS</b>		
(Unsecured considered good except to the extent stated)		
a) Debtors outstanding for a period exceeding 6 months.	24591853.83	20921516.99
b) Other debtors	715774762.46	380351879.46
<b>Sub Total (B)</b>	<b>740366616.29</b>	<b>401273396.45</b>
<b>3. CASH &amp; BANK BALANCE</b>		
a) Cash in hand	1536809.99	3196510.75
b) Balances with Scheduled Banks		
i) In Current Account	103530057.79	159521347.89
ii) In Saving Bank A/c	2042972.93	24289.93
iii) In Fixed Deposit Receipts and in margin account. (includes FDR Rs. 1239.97 lacs (Rs. 1254.55 lacs in previous year) pledged with banks against B.G. / L.C. Issued by the Banks.)	564326611.77	1191990172.84
iv) Interest accrued on FDR	29607100.93	70373663.81
<b>Sub Total (C)</b>	<b>701043553.41</b>	<b>1425105985.22</b>
<b>4. LOANS AND ADVANCES</b>		
Unsecured (Considered good unless otherwise stated)		
1) Loans		
i) Corporate Loans	123429032.16	5390839.00
ii) Others to staff	549842.00	273958.37
iii) To Subsidiary	778526720.00	725028484.41
iv) To Joint Venture (See note no 16)	17065150.00	16500000.00
2) Advances recoverable in cash or in kind or for value to be received	108263221.06	63371285.14
3) Balance with customs & central excise authorities etc.	1674237.80	6043806.55
4) Deposits	44524355.06	39549746.06
5) Income taxes paid including FBT & MAT credit entitlement	252904857.78	152789625.53
<b>Sub Total (D)</b>	<b>1326937415.86</b>	<b>1008947745.06</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>3293147345.55</b>	<b>3529857862.83</b>



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
For Goods		
i) Total out standing dues of Micro, Small and Medium enterprises Development Act, 2006 for goods & others (Ref Note No 8 of Schedule No. 18)	1330466.00	2278282.62
ii) Total out standing dues of Creditors other than Micro, small and medium enterprises	114685786.80	103471751.43
For Expenses & other Liabilities	30873044.33	44963838.68
Government dues	2036246.80	8489252.23
Advance & Security deposit from Customers,	468392474.13	441588449.88
Security Deposit from subsidiary Co.	500000.00	500000.00
Deposit from Oml+JSC ukrain (JV) - JSC, Ukraine	50000000.00	50000000.00
Unclaimed statutory liabilities (as referred in Sec 205 C of the Companies Act, 1956)		
Unclaimed dividend*	780220.70	483817.40
<b>Grand Total</b>	<b>668598238.76</b>	<b>651775392.24</b>

**Note:**

- i) The Bank Guarantee of Rs 3837.02 Lacs issued by Bank for advance taken from Customers. (in previous year Rs. 5875.22 lacs)
- ii) \* Pending for reconciliation

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 8</b>		
<b>PROVISIONS</b>		
For Income tax	232107701.00	162192501.00
For Wealth Tax	166800.00	625000.00
For F B T	0.00	1681550.00
For Gratuity	5222428.00	3933883.00
For Leave Encashment	1382146.00	1218049.00
Tax on proposed dividend	0.00	1637165.00
<b>Total</b>	<b>238879075.00</b>	<b>171288148.00</b>

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 9</b>		
(To the extent not written off or adjusted)		
Public Issue Expenses (Op. Balance)	22869733.00	34304598.00
Less : 1/5 <sup>th</sup> written off during the year	11434865.00	11434865.00
<b>Total</b>	<b>11434868.00</b>	<b>22869733.00</b>

# Schedule Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 10</b>		
<b>TURNOVER</b>		
Sales of Gate, components & allied receipts (Engg)	1657562803.34	739035421.00
Transportation receipts	56893470.00	13383080.00
Drawing & design receipts	1050740.00	859893.00
Turnover of real estate bussiness	235719447.13	231580273.69
Guest accomo.,rest./canteen,food & beverage receipts of Hotel business	55609479.80	53547561.60
Bussiness income from multiplex (see note no.23 (d))	12961078.00	12156966.00
Receipts from wind power electric generation	1869828.00	3798253.00
	<b>2021666846.27</b>	<b>1054361448.29</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 11</b>		
<b>OTHER INCOME</b>		
Interest from deposit & others(Gross)	68529676.26	102144513.33
Dividend receipts	1206796.36	2082705.51
Rent and hire charges	10264200.00	7739700.00
Miscellaneous receipts	3914280.39	4555339.58
Share of Profit/(Loss) from JV & Sub. Co.	5326040.00	12408366.58
Excess Provision written back	640309.00	624141.00
<b>Total</b>	<b>89881302.01</b>	<b>129554766.00</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 12</b>		
<b>INCREASE (DECREASE) IN STOCKS</b>		
<b>OPENING STOCK</b>		
Finished Goods	25015173.00	18900362.00
Work in Progress	384360488.52	286738383.00
Less : Transfer to Capital WIP	3025002.00	0.00
<b>Sub Total</b>	<b>406350659.52</b>	<b>305638745.00</b>
<b>CLOSING STOCK</b>		
Finished Goods	21717317.00	25015173.00
Work in Progress	174422362.00	384360488.52
<b>Sub Total</b>	<b>196139679.00</b>	<b>409375661.52</b>
Increase (Decrease) in Stock	-210210980.52	103736916.52



# Schedule Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 13</b>		
<b>CONSUMPTION OF MATERIAL A / TRADING ACTIVITIES</b>		
Opening Stock	141364404.45	45938098.37
Add : Purchases including accessories & boughtout item / semi finished, food & beverage & liquor	766621645.50	541120961.62
<b>Sub - Total</b>	<b>907986049.95</b>	<b>587059059.99</b>
	49118695.80	141364404.45
	858867354.15	445694655.54
Purchases of finished goods / parts for trading activities	13176210.00	19077639.42
<b>Total</b>	<b>872043564.15</b>	<b>464772294.96</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 14</b>		
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages, Bonus & Allowances etc.	56180415.38	45879303.34
Contribution of PF, ESI and other welfare fund scheme	1762437.65	2407351.55
Gratuity	1295676.00	1069398.00
Employee Welfare Exp. Including compensation	12105372.36	4058192.33
<b>Total</b>	<b>71343901.39</b>	<b>53414245.22</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 15</b>		
<b>Manufacturing, and Operating Expenses</b>		
Power, & Fuel Expenses	17251504.00	16184279.05
Stores, Spares & Tools Consumed	23660854.18	16564257.77
Job & other work exp. including drawing & design	110677430.02	95262486.18
Rent / Hire charges for equipment	6461811.00	3527164.00
Transportation Expenses	42545732.00	15504970.00
Repairs & Maintenance		
a) To Machinery	3662175.93	3264600.18
b) To Building	9549050.00	1876392.00
Insurance Expenses	4072862.00	3845875.00
House up-keeping & other hotel / rest. exp.	1896926.54	2400674.64
Linen, wares & cutlery, crockeries & laundry expenses	1993455.59	1343447.79
<b>Total</b>	<b>221771801.26</b>	<b>159774146.61</b>

# Schedule Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 16</b>		
<b>ESTABLISHMENT &amp; SELLING EXP.</b>		
Remuneration to directors	13800000.00	10698500.00
Rent	9994028.00	9841257.00
Rates & taxes	4672767.00	1244385.00
Telephone, telex & postage	5337511.61	5223711.54
Travelling & conveyance expenses	21694311.11	22667657.44
Legal, consultancy, retainership, professional arbitration expenses	24643409.20	31038601.55
General repairs	2579506.00	1450686.75
Vehicle running & maintenance	6963379.65	6195304.23
Miscellaneous expenses	19592628.87	15233935.93
Audit fees	434870.00	311930.00
Charity & donation	3168600.00	2213100.00
Advertisement & Business Promotion	4289240.62	3777266.41
Public Issue exp. written off	11434865.00	11434865.00
Claims / rebate & discount exp.	224722.35	2662157.00
Keyman insurance	0.00	1894610.00
Loss on Sales of Investment	197839.95	12145179.96
Loss on Sales of Fixed Assets	0.00	115812.88
Brokerage & Commission	0.00	25000.00
<b>Total</b>	<b>129027679.36</b>	<b>138173960.69</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 17</b>		
<b>FINANCIAL EXPENSES</b>		
Bank charges & Guarantee Commission Interest paid	22011314.61	15575629.88
a) On Term Loan	35899151.82	42980864.77
b) On working capital / Others / Project Authority	14744365.89	58035046.13
<b>Total</b>	<b>72654832.32</b>	<b>116591540.78</b>



**SCHEDULE - 18**

**NOTES TO THE ACCOUNTS :**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**I. ACCOUNTING CONVENTION :**

The financial statements of the Company are prepared under the historical cost convention method 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, Warranties, 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 have been re-valued and stated at the revalued figures) are stated at cost net of cenvat less accumulated depreciation and impairment, if any. The Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental/preoperative expenses and interest on loans attributable to the acquisition of assets upto the date of commissioning of assets. Capital subsidy received against specific assets is reduced from the value of relevant fixed assets.
- b) The depreciation has been provided on straight line method of depreciation at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except on assets used in Engg. Div. Which is on written down value method.
- c) Depreciation is not provided during the year in respect of assets sold, discarded etc during the year upto the date of sales/discard.
- d) Depreciation is calculated on pro-rata basis from the date of additions except on assets of Engg. Division which are depreciated for a full year.
- e) Lease hold land are not depreciated.
- f) Expenditure on New project and substantial expansion.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the profit & loss account. Income earned during construction period is deducted from the total of the indirect expenditure.

**III. INVENTORIES :**

**Inventories are valued as follows :-**

A. a)	Raw Material, Stores & Spares, Components, Construction Material, Food & Beverages, Liquor, Crockery, Cutlery, Glassware, Utensils and Linen	At cost (FIFO method) or net realizable value, whichever is lower.
b)	Process Stocks	At cost or net realizable value, which ever is lower. Cost for this purpose includes direct cost and factory overheads allocated on absorption cost method.
c)	Finished Goods	Cost as stated in (b) above or net realizable value*, which ever is lower. The cost here includes taxes and duties wherever applicable.
d)	Goods in Transit	Are stated at actual cost plus freight, if any.

\* Net realizable value is estimated selling price in the ordinary course of business.

**IV. HOTEL DIVISION :**

Stock of operating supplies i.e. crockery, cutlery, glassware, utensils, linen etc. in circulation are treated as consumption as and when issued from the stores.

**V. FOREIGN CURRENCY TRANSACTION :**

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are

covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expenses on account of exchange difference either on settlement or on translation is recognized as revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

#### **VI. REVENUE RECOGNITION :**

- a) Engineering Division  
Sales of products (Fabricated goods) escalation and erection receipts are accounted for on the basis of bills/invoices acknowledged or paid by the project authorities.
- b) Other Divisions  
Sales comprises of sales of goods, room sales etc. are excluding sales tax / VAT. It is being accounted for net of returns/discount/claims etc.
- c) Income of interest on refund of income tax is accounted for in the year, the order is passed by the concerned authority.
- d) Revenue from construction contracts / projects and real estate are recognized on the percentage of completions method of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined.
- f) Dividend from investments in shares / units is recognized when the Company / mutual fund in which they are held declares the dividend and the right to receive the same is established.

#### **VII. INVESTMENTS :**

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

#### **VIII. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR; ADJUSTED) :**

Miscellaneous expenditure such as public issue expenditure are amortized over a period of 5 years.

#### **IX. RESEARCH & DEVELOPMENT :**

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

#### **X. BORROWING COSTS :**

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

#### **XI. TAXATION :**

- a) Current Tax  
The income tax liability provided in accordance with the provisions of the Income Tax Act, 1961 or as advised by income tax consultant after claiming deduction under section 80 I.
- b) Deferred Tax Liabilities /(Assets)  
Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### **XII. RETIREMENT BENEFITS AND OTHER EMPLOYEE BENEFITS :**

- a) Company's contribution to recognized provident fund maintained and managed by the office of regional provident fund commissioner paid/ payable during the year is recognized the profit and loss account.
- b) Gratuity  
The Company provides for gratuity to all eligible employees. The benefit is in the form of lump sump payments to vested employees on



resignation, retirement, on death while in employment or on termination of employment of and amount equivalent to 15 days basic salary payable to each completed year of service. Vesting occurs upon completion of 5 years of service. The Company has not made annual contributions to funds administered by trustees or managed by insurance companies. Actuarial valuation for the liabilities has, however has not been done.

c) Leave Salaries :

Liabilities for privilege leave benefits, in accordance with the rules of the Company is provided for, as prevailing salary rate for the entire un-availed leave balance as at the balance sheet date.

**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 estimation of recoverable amount

**XIV. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

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

**XV. EARNING PER SHARE :**

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

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

**XVI. USE OF ESTIMATE :**

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

**XVII. OPERATING LEASE :**

Lease rentals in respect of assets taken are charged to profit & loss account as per the terms of the lease agreement.

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

		(Rs. in lacs)	
S. No.	Particulars	As at 31.03.2010	As at 31.03.2009
i)	Outstanding bank guarantee *	12414.25	13458.92
ii)	Letter of credits accepted	6355.48	2871.12
iii)	Claims against the Company not acknowledged a debt relating to supplies and service matters including counter claims of project authorities.	1347.56	1349.06
iv)	Various labour cases	Amount not ascertainable	Amount not ascertainable
v)	Show cause/demand/notices by excise deptt., service tax, income tax authorities being disputed by the Company. (See note no I I below.)	739.90	745.77

Based on favorable decisions in similar cases, legal opinion taken by the Company., discussions with the solicitors, etc, the Company believes that there is fair chance of decisions in it's favour in respect of all the items listed in (iii) (iv) & (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 31.03.2010	O/s. Bank guarantee as at 31.03.2009
OML+JSC, UKRAINE, KAMENG (JV)	2186.00	2361.00
Om Metals Consortium (PF)	950.00	950.00

- Estimated amount of contracts remaining to be executed (capital commitments) not provided for Rs. 7.16 lacs (Rs. 106.03 lacs in the previous year)
- Claims raised by the Company / Claims settled with various project authorities/ other parties. amounting to Rs ..... lacs (Rs. 5710.00 lacs in previous year), against these claims, the Company has received arbitration awards of Rs ..... lacs (previous year Rs. 213.93 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 BRANCHES AUDITORS

(Rs. in lacs)

Particulars	2010	2009
Audit fee's	4.35	2.84
Fees for consolidated Financial statement	0.28	0.28
Certificate and Other services	3.84	3.20
Out of pocket expenses	0.06	0.37
<b>Total</b>	<b>8.53</b>	<b>6.69</b>

#### Note

- Audit fees includes service tax.
- Rs. 0.20 Lacs (previous year Rs. 0.20 lacs) Paid for other services to auditors in which he is prop. of Chartered Accountant firm.

#### 6. REMUNERATION TO DIRECTORS

(Rs. in lacs)

Particular	Current Year		Previous Year	
	Managing Director	Other Director	Managing Director	Other Director
Salary	48.00	90.00	39.25	67.73
Perks	9.36	5.00	7.35	16.93
Consultancy to Chairman		1.20		1.20
<b>Total</b>	<b>57.36</b>	<b>96.20</b>	<b>46.60</b>	<b>85.86</b>

#### Note:

- Directors and executive i.e. Shri C. P. Kothari, Shri D.P. Kothari, Shri Sunil Kothari and Shri Vikash Kothari are covered under keyman insurance plan (LIC) of the Company and premium paid of Rs. 18.95 lacs during the previous year.
- The above remuneration is within the limit prescribed under the schedule XIII of the companies' act 1956.

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

S. No.	Particulars	2010	2009
i)	Calculation of weighted average number of face value of equity shares of Rs. 1 each		
	No. of shares at the beginning of the year	96303809	96303809
	Total equity shares outstanding at the end of the year	96303809	96303809
	Weighted average no of equity shares outstanding during the year	96303809	96303809
ii)	Net Profit after Tax available for equity shares holders (Rs.)	325136295	248229499
iii)	Basic and diluted earning per shares (Rs.)	3.38	2.58
iv)	Nominal value of equity shares (Rs.)	1	1

**8. DETAILS OF DUES TO MICRO SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006.**

(Rs. in lacs)

Particulars	2010	2009
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	13.30	22.78
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and medium enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) But without adding the interest specified under Micro Small and medium enterprises Development Act, 2006	*-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises for the purpose of disallowance as a deductible expenditure U/s. 23 of the Micro Small and medium enterprises Development Act, 2006	-	-

\* As per contract with the vendors, no interest is payable on outstanding from MS MED Vendors

**9. SEGMENT REPORTING**

## a) Primary segment: Business Segment.

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

## b) Secondary segment: Geographical segments.

Since the Company's activities/operations are primarily with in the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segments.

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

(Rs. in lacs)

Particulars	Current Year	Previous Year
Revenue from domestic market	20216.25	10540.02
Revenue from overseas market	0.42	3.59
<b>Total</b>	<b>20216.67</b>	<b>10543.61</b>

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

## c) Segment accounting polices.

In addition to the significant accounting policies applicable to the business segment as set in note 1 of schedule 18 "notes to accounts" the accounting policies in relation to segment accounting are as under.

## i) Segment revenue &amp; expenses.

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

## ii) Segment assets and liabilities.

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

## iii) Inter segment sales.

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

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

**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 31<sup>st</sup> March, 2010 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.

<b>Name of the related party</b>	<b>Relationship</b>
Om Metal Auto Pvt. Ltd.	Subsidiary company
Om Auto Motors Pvt. Ltd.	Subsidiary company
Om Paradise & Malls Pvt. Ltd.	Subsidiary company
Om Metals Real Estate Pvt. Ltd.	Subsidiary company
Om Metals Ratanakar Pvt. Ltd.	Step Subsidiary company
Skywave Impex Pvt. Ltd.	Enterprises over which significant influence exercised by directors.
Lambodar Finvest Pvt. Ltd.	-do-
Jupiter Metals Pvt. Ltd.	-do-
Om Kothari Pariwarik Trust	-do-
Om Kothari Foundation	-do-
Bahubali Housing Co. Pvt. Ltd.	-do-
Little Star Pvt. Ltd.	-Do-
Benzer Agencies Limited	-do-
Om Kothari Enterprises Ltd.	Associate Promoter holding more than 20% or under the same management
Baba Vinimay Pvt. Ltd.	-do-
Om Metals Infotech Pvt. Ltd.	-do-
Alchemy Ventures Pvt. Ltd.	-do-

<b>Key Management persons</b>	<b>Key Managerial Personnel</b>
Shri T. C. Kothari	
Shri C. P. Kothari	
Shri D. P. Kothari	
Shri Sunil Kothari	
Shri Vikash Kothari	
Shri Bharat Kothari	
Shri Vivek Kothari	
Shri Vishal Kothari	
Relatives of Key management persons	Relative of directors
Smt. C. Manjula Kothari	
Smt. D. Manjula Kothari	
Seema Kothari	
Smt. Anita Kothari	
C. P. Kothari & Sons	
T. C. Kothari & Sons	



11. The details of disputed Income Tax, Service Tax, Sales Tax & Excise Duty as on 3.03.10 are as follows.

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Demand Amount (Rs. in lacs.)	Period to which the amount relates
Central Sales Tax Act, 1956 and Sales Tax / VAT Act of various states	Sales Tax	Commissioner (Appeals) / Tribunal	147.49*	1984-85, 1985-86 1990-91 to 1991-92, 1993-94, 1994-95, 2005-2006 & 2006-2007.
		High court	24.10	1986-87 & 2003-2004
Central Excise Act, 1944	Excise Duty	Tribunal / Commissioner (Appeal)	179.35	1997-98, 2001 to 2009-10
Income Tax Act, 1961	Income Tax	ITAT	2.44**	1991-92, 96-97
		High Court	241.66**	2005-2006 & 2006-2007
Service tax Rules	Service Tax	Commissioner (Appeals) / Tribunal	143.73	2003-2004 to 2005-2006
Wealth Tax Act.	Wealth Tax	ITAT	1.13**	1991-1992

Note : 1)\* Against it, the Company paid Rs. 46.76\* lacs and \*\*Rs. 245.15 lacs Amount as per demand orders including interest and penalty wherever mentioned in the order.

12. 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.

13. Expenses and receipts relating to earlier year amounting to Rs. Nil and Rs. Nil respectively (previous year Rs. Nil and Rs. 44.66 lacs) debited/credited to respective expenses and Income heads.

14. Details of investments in the units of various Mutual Funds / shares purchased & sold during the year are given below:-

Scheme Name	No. of Units O/B	No. of units Purchased	No. of Unit sold	(Rs. in lacs)	
				Purchase / Opening value	Sales Value
ABN Amro JM Basic fund growth plan	196036	-	-	12.93	-
JM emerging Leaders fund	311964	-	-	50.00	0.00
DSPML black rock Tiger growth fund	232317	-	-	24.46	-
Reliance Vision growth plan	8560	-	-	11.03	-
Sunderam BNP Capex Growth	90546	-	-	10.61	-
Reliance Banking fund Growth plan	70902	-	-	26.04	-
Shiv Vani Oils Ltd	31500	-	1011	145.60	4.85
SBI Megnum equity fund	-	150000	0	15.00	-

Note: No of units includes dividend unit.

15. The Company has recognized Deferred Taxes, which result from timing difference between the Book Profit and Tax Profit. The details of which are as under:-

Particulars	Balance as at 31.03.2009	Arising during the year	Balance as at 31.03.2010
A. Deferred Tax Liabilities			
Depreciation and amortization	36466400	18936486	55402886
B. Deferred Tax Assets			
1. Provision for leave with wages	414016	55775	469791
2. Provision for gratuity	1337126	437977	1775103
<b>Total : (B)</b>	<b>1751142</b>	<b>493752</b>	<b>2244894</b>
Net Deferred Tax liabilities (A-B)	34715258	18442734	53157992

16. Incompliance with Accounting Standard - 27 on financial reporting of interest in joint venture/partnership firm. Following disclosure are made in respect of jointly controlled entities in which the Company is a joint venturer/partner.

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

Joint venture (JV) Companies and Partnership firm (PF): Previous year

(Rs. in lacs)

S. No.	Name of Company / firm	OML + JSC Ukrain, Kaming (JV)	Om Metals Consor. (PF)	Sanmati Infra Developer Pvt. Ltd.	Pondichary port limited	Om Rays Construction (PF)	Om Gaima Pvt. Ltd. (JV)
1	Proportion of ownership interest	60%	35% See note (b)	25%	50%	99.5% of Contract value	49%
2	Country of incorporation or registration	India	India	India	India	India	India
3	Accounting period ended	31.03.10	31.03.10	31.03.10	31.03.10	31.03.10	31.03.10
4	Assets	2481.53					7.63
5	Liabilities	1721.59					7.14
6	Income	1298.28					0
7	Expenditure	1245.01					5.17
8	Contingent Liabilities	-	N.A.	N.A.	N.A.	N.A.	
9	Capital commitments	-	-	N.A.	N.A.	N.A.	
10	Date of Creations of JV / firm	01.04.2006	18.07.2005			05.07.2005	20.02.09
11	Remarks	-	See note "c"	See note "c"	See note "c"	See note "c"	

S. No.	Name of Company / firm	Jaipur Bhilwara Toll Pvt. Ltd.	SEW-OMIL JV
1	Proportion of ownership interest	50%	50%
2	Country of incorporation or registration	India	India
3	Accounting period ended	31.03.10	31.03.10
4	Assets	1.89	
5	Liabilities	1.89	
6	Income	0.00	
7	Expenditure	0.00	
8	Contingent Liabilities	-	-
9	Capital commitments	-	-
10	Date of Creations of JV/firm		
11	Remarks	See note "c"	See note "c"

S. No.	Name of Company /firm	OML + JSC Ukrain, Kaming (JV)	Om Metals Consor. (PF)	Sanmati Infra Developer Pvt. Ltd.	Pondichary port limited	Om Rays Construction (PF)	Om Gaima Pvt. Ltd. (JV)
1	Proportion of ownership interest	60%	35% See note (b)	25%	50%	99.5% of Contract value	49%
2	Country of incorporation or registration	India	India	India	India	India	India
3	Accounting period ended	31.03.09	31.03.09	31.03.09	31.03.09	31.03.09	31.03.09
4	Assets	2825.69	3942.48	1412.38	295.28	67.94	0.49
5	Liabilities	2510.40	202.23	1340.02	35.92	NIL	-
6	Income	589.82	NIL	NIL	NIL	NIL	-
7	Expenditure	533.11	NIL	NIL	NIL	12.27	
8	Contingent Liabilities	-	N.A.	N.A.	N.A.	N.A.	
9	Capital commitments	-	-	N.A.	N.A.	N.A.	
10	Date of Creations of JV / firm	01.04.2006	18.07.2005			05.07.2005	
11	Remarks	-	See note "c"	See note "c"	See note "c"	See note "c"	

Note:-

- a) The above details represent proportionate amount of the Company's share in the joint ventures / firm.
- b) Om Metals Consortium is a partnership firm. Following are partner & their share ratio as per revised deed drawn on 29 Sept. 2007 in profit / loss.



Name of partner	Share ratio
Om Metals Infraprojects Ltd.	35.00%
Subhash projects & marketing Ltd.	10.00%
Nikhil Township Pvt. Ltd.	30.00%
Amrfina Construction Pvt. Ltd.	10.00%
Morya Housing Ltd.	10.00%
Om Infra Tech Pvt. Ltd.	5.00%

- c) Figures are taken in the books of accounts on the basis of unaudited financial results in current year as well as in the previous year. (N.A = Not available)
- d) The Figures of Joint Venture and partnership firm are not available. The balance sheet of the joint venture and partnership firm (PF) are under preparation.
17. As per accounting standard 21 on "Consolidated Financial Statements" and Accounting Standard 23 on "Accounting for Investment in Associates in consolidated financial statements" issued by the institute of Chartered Accountants of India, The Company has presented consolidated financial statements including subsidiary and associates. Accordingly segment information as required under Accounting Standard 17 (AS-17) on segment reporting is included under the notes to consolidated financial statements subject to note no 16 e.

18. Loans and Advances & debtors includes following Amounts due from subsidiary / Joint Venture & other associates:-

	(Rs. in lacs)			
	Amt. outstanding as at	Amt. outstanding as at	Max Amt. outstanding as at	Max Amt. outstanding as at
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Pondicherry Port Ltd.	170.65	165.00	170.65	165.00
Om Metals Auto Pvt. Ltd. (Sub)	9.46	206.16	71.81	206.16
Om Metals Real estate Pvt. Ltd.	7785.27	7244.13	7785.27	7244.13
Benzer Agencies Ltd.	0.00	1.58	0.00	6.72
Skywave Impex Ltd.	65.11	89.49	89.49	89.49
Nextmile Tradecom Pvt. Ltd.	19.92		41.65	
Jupiter Metal Pvt. Ltd.	170.04		170.04	
Om Kothari enterprises Ltd.	90.26		90.26	

#### 19. PUBLIC OFFER

- a) During the year 2006-2007, the Company has issued and allotted 20000000 equity share of face value of Rs. 1/- each at a premium of Rs. 59/- per equity shares to qualified institutional buyers (QIB)
- c) Of the fund raised through the QIB, the Company has utilized the fund as follows

Particular	(Rs. in lacs)		
	Projected Utilisation as per the prospectus	Actual utilization upto 31.03.2009	Actual utilization during the year
Strengthening the Company's Capital base, part funding of capital expenditure for the Engg. Div and Real Estate Project, Strategic alliances and acquisition, Capital expenditure directly or through its subsidiary.	11428.20	4627.20	
QIB Expenses	571.80	571.80	
<b>Total</b>	<b>12000.00</b>	<b>5199.00</b>	

**Note:** The unutilized funds of Rs. .... Lacs (Rs. 6801.00 lacs in previous year) as at 31.03.2010 have been temporarily invested in FDR/units/mutual funds/debt fund/liquid funds.

20. Exchange difference gain (Loss) on account of fluctuations in the foreign currency have been accounted for under respective heads of accounts as under:-

		(Rs. in lacs)	
S. No	Head	2009-2010	2008-2009
1	Sales /Room Rent (Income)	0.42	0.09
2.	Raw Material Consumed	36.15	56.85

21. The Company has provided for liability of gratuity aggregating to Rs. 52.22 lacs (previous year Rs. 39.33 lacs) for employees who have qualified for it as per payment of Gratuity Act. The Company could not comply with the requirement of AS - 15 retirement benefit issued by ICAI as the valuation by a Certified acturian is under process.
22. a) The Company has taken Office Premises and directors residence on cancelable Operating Lease. The tenure of these agreements range between 3 to 5 Years.
- The amount of lease rentals paid of Rs. 72.34 lacs (previous year Rs. 44.40 lacs) has been charged under the head "Rent" in Schedule 16.
- b) The Company has entered into separate cancelable Operating lease for Premises and Machinery. The tenure of these agreements range between Six months to three years.
- The amount of lease rentals paid of Rs. 92.22 lacs (previous year Rs. 87.68 lacs) has been charged under the head" Rent /Hire charges for Equipments" in Schedule 15 and "Rent" in Schedule 16.
- c) The Company has Leased premises and Machinery on cancelable Operating Lease.The aggregate amount of lease rentals received amounting to Rs. 84.00 lacs (previous year Rs. 55.20 lacs ) have been credited under the head "Rent and hire charges" in Schedule 11.
23. Additional information pursuant to the provision of paragraph 3, 4C & 4D of part II of Schedule VI to the Companies Act 1956 is given below.
- a) Particulars in respect of Licensed and installed capacity.

Product	Unit	Licensed capacity 2009-2010	Licensed capacity 2008-2009	Installed capacity* 2009-2010	Installed capacity* 2008-2009
Engg. Div.					
Engg. Goods	MT	N.A.	N.A.	15000 MT/PA	15000 MT/PA
Hotel Div.					
No. Rooms	No	N.A.	N.A.	58	58
Multiplex Div.					
Seating capacity	No.	N.A.	N.A.	1117	1117
Wind power generation for captive use.	One	N.A.	N.A.	0.35 MW	0.35 MW

- As certified by the management.
  - Since the Company's installed capacity is dependent on product mix, which in turn is decided on the basis of actual demand for Various products from time to time, it is not feasible for the Company to give exact installed capacity. The Company has, however, indicated installed capacity on the basis of year's product mix as certified by a director and being a technical mater accepted by the auditors as correct.
- b) Particulars in respect of opening stock, goods manufactured, sales, closing stocks and trading activities are given in annexure no. 1.
- c) Particulars in respect of consumption of raw material, accessories and bought out items are given in annexure no. 2.
- d) Multiplex Division.
- The operation of Multiplex division given to Inox Leisure Limited on Fixed sharing basis for a period from 16.06.2006 to 15.06.2013. The fixed income shown under the schedule no. 10. Hence it is not possible to give quantitative details and information's required under paragraph 3, 4C & 4D of part II of schedule 6of the companies act 1956.
- e) Hotel Division.
- Hotel Division of the Company is mainly engaged in the business of sale of room and restaurant income.It is not practical to give the quantitative wise details in respect of purchases consumption, turnover and stock etc. The Company has been granted exemption from Ministry of company affairs vide their order dated 05.02.09. to disclose the quantitative details in compliance of paragraph 3, 4C & 4D of part II of schedule VI of the companies act. 1956.for the year ending from 01.04.08 to 31.03.2011.



## f) Other Additional information.

(Rs. in lacs)

S. No.	Particulars	Current Year	Previous Year
i)	C.I.F. Value of Imports		
	Raw Material	1743.41	1491.99
	Capital Goods	268.03	41.85
ii)	Expenditure in Foreign Currency (Paid or Provided)		
	Capital	0.00	0.00
	Traveling	26.26	77.09
	Consultancy	0.00	0.00
iii)	Income in Foreign Currency (Sales)	0	0
	Room Rent & Other Services	0.42	3.59
	<b>Total</b>	<b>0.42</b>	<b>3.59</b>
iv)	Net dividend remitted in foreign currency / foreign intuitional investors	NIL	NIL
	No. of NRI share holders	3	97
	No of shares held by them	327000	5452562
	Dividend paid (Rs. In lacs)	0.65	17.95
		(Paid in NRI a/c in India)	(Paid in NRI a/c in India)
	Year to which dividend relates	2009-10	2007-08 & 2008-09

## v) VALUE OF RAW MATERIAL &amp; STORES AND COMPONENTS CONSUMED.

(Rs. in lacs)

Particulars	2010	%	2009	%
Raw Material				
Imported	1903.40	21.83	1013.16	22.73
Indigenous	6817.04	78.17	3443.79	77.27
<b>Total</b>	<b>8720.44</b>	<b>100</b>	<b>4456.95</b>	<b>100</b>
Stores & Spares				
Imported				
Indigenous	236.61	100	165.64	100

24. Figures for previous year have been re-arranged/regrouped wherever necessary to make them comparable.

25. Schedule I to 18 and the statement of additional information form an integral Part of the Balance Sheet & Profit and Loss Account and have been duly authenticated.

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 : 28.05.2010

For and on behalf of Board of Directors

sd/-

**T. C. Kothari**

(Chairman)

sd/-

**Sunil Kothari**

(Director)

sd/-

**C. P. Kothari**

(Mg. Director)

sd/-

**Reena Jain**

(Company Secretary)

sd/-

**D. P. Kothari**

(Director)

sd/-

**S. K. Jain**

(CFO)

## Statement pursuant to section 212 of the companies act, 1956

Name of subsidiary company	Financial year ending of the sub.	No. of shares held by the Company	Extent of holding %	For financial year of the subsidiary	
				Profit/(loss) so far as it concerns the members of the holding company and not dealt with in the books of accounts of the holding company (except to the extent dealt with in col.6)	Profit/(loss) so far as it concerns the members of the holding company and dealt with in the books of accounts of the holding company .
(1)	(2)	(3)	(4)	(5)	(6)
				Rs. In lacs	Rs. In lacs
Om Metals Auto Pvt. Ltd.	31.03.2010	275500	91.83%		-
	(31.03.2009)	(75500)	(75.50%)		-
Om Metal Real Estate Pvt. Ltd.	31.03.2010	10000	100%		-
	(31.03.2009)	(10000)	(100%)		-



Transaction during the year with related parties (Excluding reimbursement)

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
<b>A. with Subsidiary Company</b>			
<b>1. Om Metal Auto Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Investment in Equity Share	52.55	52.55
	Loan & Advances Dr.	6.16	7.33
	Share Application	200.00	
	Security Deposites	5.00	5.00
	<b>Transactions</b>		
	Rent Receipts	84.00	55.20
	Services Receipts	0.00	0.36
	Investment in Equity Share	0.00	0.00
	Net movements in loans & Adv. Dr.	252.02	32.95
	Net movements in loans & Adv. Cr.	243.02	
	Job work Vehicle repair/	5.69	23.79
	Share Application	0.00	200.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in Equity Share	52.55	52.55
	Loans & Advance Cr.	9.46	6.16
	Share Application	200.00	200.00
	Security deposite	5.00	5.00
<b>2. Om Metals Real Estate Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Loans and advances	7244.13	6050.38
	Investment in Equity Share	1.00	1.00
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	801.25	1193.75
	Net movements in loans & Adv. Cr.	248.50	
	<b>Closing balance as on 31.03.10</b>		
	Investment in Equity Share	1.00	1.00
	Loans and advances Dr.	7796.88	7244.13
<b>3. Om Metals Ratnakar Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Investment in Equity Share	0	0.00
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	141.76	90.05
	Net movements in loans & Adv. Cr.	141.76	
	<b>Closing balance as on 31.03.10</b>		
		0.00	0.00
<b>3. Om Auto motors Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Investment in Equity Share	0	0.00
	<b>Transactions</b>		
	Investment in Equity Share	1.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in Equity Share	1.00	0.00
<b>4. Om Paradise &amp; Malls Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Investment in Equity Share	0	0.00
	<b>Transactions</b>		
	Investment in Equity Share	1.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in Equity Share	1.00	0.00

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
<b>With Associates Promotor/ Holding More than 20 % Equity</b>			
<b>1. Skywave Impex Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Advance Ag. Job work	89.49	0.00
	<b>Transactions</b>		
	Job work	75.00	181.95
	<b>Closing balance as on 31.03.10</b>		
	Advance Ag. Job work	65.10	89.49
<b>2. Lambodar Fin Vest Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Sundry Creditors		0.09
	Adv. For purchases of goods	223.53	66.25
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	13.81	
	Net movements in loans & Adv. Cr.	13.81	
	Adv.agst flats		157.28
	Advance refund	81.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Adv. For purchases of goods	142.53	223.53
<b>3. Om Kothari Pariwarik Trust</b>	<b>Opening balance as at 01.04.09</b>		
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	14.54	
	Net movements in loans & Adv. Cr.	14.54	
	Hire/Rent charges	2.14	2.14
	<b>Closing balance as on 31.03.10</b>		
<b>4. Om Kothari Foundation</b>	<b>Opening balance as at 01.04.09</b>		
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	64.89	
	Net movements in loans & Adv. Cr.	64.89	26.02
	Donation	30.00	0
	Hire/Rent charges	0.96	0.96
	<b>Closing balance as on 31.03.10</b>	0	0.00
<b>5. Bahubali Housing Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Creditors	0.00	7.21
	Security Deposits	70.00	70.00
	<b>Transactions</b>		
	Loans and advances Cr.	0.00	6.20
	Loans and advances Dr.	0.00	0.20
	Rent Paid	16.80	4.80
	Security Deposite Dr.	0.00	70.00
	<b>Closing balance as on 31.03.10</b>		
	Security Deposit Dr.	70.00	70.00
	Creditors Cr.	0.00	0.00
<b>6. Little Star Finance Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Security Deposit	0	70.00
	Sundry Creditors	18.45	1.24



(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
	<b>Transactions</b>		
	Loans and advances Dr.	0	12.79
	Loans and advances Cr.	0	30.00
	Rent Paid	16.8	4.80
	Security Deposit	0	70.00
	<b>Closing balance as on 31.03.10</b>		
	Loans and advances Cr.	8.46	18.45
<b>7. Benzer agencies Ltd.</b>	<b>Opening Balance as on 01.04.08</b>		
	Advance Dr.	0.00	1.57
	<b>Transaction</b>		
	Advance given	4.00	6.72
	Advance received	4.00	8.29
	<b>Closing balance as on 31.03.09</b>		
	Advance Dr.	0.00	0
<b>8. Jupiter Metals Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Loans and advances	7.42	0.00
	Investment in Equity Share	0	0.00
	Advance for purchases of FA	0	0.00
	<b>Transactions</b>		
	Job work	69.00	
	Net movements in loans Dr.	165.48	0.00
	Net movements in loans Cr.	2.87	
	Investment Sold	0	0.00
	Advance return	0	0.00
	<b>Closing balance as on 31.03.10</b>		
	Advance Dr.	170.03	0.00
<b>B. Associates Promoter holding more than 20% or under the same management</b>			
<b>1. Om Kothari Enterprises Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Creditors	9.11	0.00
	<b>Transactions</b>		
	Net movements in loans Dr.	90.62	0.00
	Net movements in loans Cr.	0.36	0.00
	Job work	50.00	60.45
	Sale of Investment		0.00
	<b>Closing balance as on 31.03.10</b>		
	Creditors	90.26	9.11
<b>2. Baba Vinimay Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	<b>Transactions</b>		
	Net movements in loans Dr.	0.29	0.00
	Net movements in loans Cr.	0.29	0.00
	<b>Closing balance as on 31.03.10</b>		
		0	0.00
<b>3. Nextmile Tradecom Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Loans and Advances	41.65	0.00
	Investment in Equity Share	0	0.00
	Advance for purchases of FA	0	0.00

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
	<b>Transactions</b>		
	Job work	75.00	
	Net movements in loans Dr.	45.09	0.00
	Net movements in loans Cr.	25.09	
	Investment Sold	0	0.00
	Advance return	0	0.00
	<b>Closing balance as on 31.03.10</b>		
	Advance Dr.	19.93	0.00
<b>4. Om Metals infotech Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Creditors	0	0.00
	<b>Transactions</b>		
	Net movements in loans Dr.	7.36	0.00
	Net movements in loans Cr.	18.83	0.00
	Job work	0.00	0.00
	Sale of Investment		0.00
	<b>Closing balance as on 31.03.10</b>		
	Creditors	11.47	0.00
<b>5. Alchemy Ventures Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Creditors	0	0.00
	<b>Transactions</b>		
	Net movements in loans Dr.	23.96	0.00
	Net movements in loans Cr.	23.96	0.00
	<b>Closing balance as on 31.03.10</b>		
<b>C. Directors of the company</b>			
<b>1. Shri T. C. Kothari</b>	<b>Opening Balance as on 01.04.09</b>		0.00
	<b>Transaction</b>		
	Loans advance Dr.	19.02	4.68
	Loans advance Cr.	19.02	4.68
	Consult. & fees for board meeting	1.2	1.20
	Hire/rent charges	1.08	1.08
	<b>Closing balance as on 31.03.10</b>	0	0.00
<b>2. Shri C. P. Kothari</b>	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Net movements in loans Dr. & Cr.	26.60	9.58
	Hire charges/Rent paid	5.40	4.08
	Director Remuneration	48.00	39.25
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	10.00	10.00
<b>3. Shri D. P. Kothari</b>	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	7.50	7.5
	<b>Transaction</b>		
	Hire charges/Rent paid	19.20	18.60
	Director Remuneration	42.00	35.13
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	7.50	7.5



(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
4. Shri Sunil Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	5.00	5
	<b>Transaction</b>		
	Net movements in loans Dr. & Cr.	0.00	10.20
	Salary and allowances	48.00	32.61
	Hire charges / Rent paid	1.08	1.08
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	5.00	5.00
<b>D. Relatives of Directors</b>			
1. Vikas Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary and allowances	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
2. Shri Bharat Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
3. Shri Vivek Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
4. Shri Vishal Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	12.00	12.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
5. Smt. C. Manjula Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
Hire charges/Rent paid	2.88	2.88	
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	10.00	10.00
6. Smt. D. Manjula Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
Hire charges/Rent paid	2.88	2.88	
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	10.00	10.00
7. Seema Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	5.00	5.00
	<b>Transaction</b>		
Hire charges / Rent paid	1.80	1.80	
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	5.00	5.00

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
8. Smt. Anita Kothari	<b>Opening Balance as on 01.04.08</b>		
	Security deposit outstanding	12.50	12.50
	<b>Transaction</b>		
	Hire charges/Rent paid	2.40	2.40
	<b>Closing balance as on 31.03.09</b>		
	Security deposit outstanding	12.50	12.50
9. C. P. Kothari & Sons	<b>Opening Balance as on 01.04.09</b>		
	Loans & Advance Dr.	0.00	0.00
	<b>Transaction</b>		
	Net movements in loans Dr.	13.15	10.68
	Net movements in loans Cr.	13.15	10.68
	<b>Closing balance as on 31.03.10</b>		
	Loans & Advance Dr.	0.00	0.00
10. T. C. Kothari & Sons	<b>Opening Balance as on 01.04.09</b>		
	Loans & Advance Dr.	0.00	0.00
	<b>Transaction</b>		
	Net movements in loans Dr.	0.00	96.62
	Net movements in loans Cr.	0.00	96.62
	<b>Closing balance as on 31.03.10</b>		
	Loans & Advance Dr.	0.00	0.00



d) Information about business segments for the year 31.03.2010 :

(Rs. in lacs.)

Particulars	Engg. Div.		Multi plex		Hotel & Res. Div.		Real Estate		Total	
	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
1) Segment Revenue :										
External sales / income (Net)	16602.76	7277.79	129.61	121.57	574.79	616.66	2357.19	2315.80	19664.35	10331.82
Other receipt	202.87	412.45	0.00	1.56	11.1	19.11	0.02	0.12	213.99	433.24
Interest Receipts	684.82	1021.45	0.00	0.00	0.00	0.00	0.00	0.00	684.82	1021.45
Inter segment sales / Other Recept	0.00	-159.14	0.00	0.00	0.00	-43.20	0.00	0.00	0.00	-202.34
<b>Total Revenue</b>	<b>17490.45</b>	<b>8552.55</b>	<b>129.61</b>	<b>123.13</b>	<b>585.89</b>	<b>592.57</b>	<b>2357.21</b>	<b>2315.92</b>	<b>20563.16</b>	<b>11584.17</b>
2) Segment Results :										
Segments results	3597.38	2715.94	110.19	104.62	65.29	148.42	1090.30	1008.37	4863.16	3977.35
Unallocated expenses (Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating profit before Int.	3597.38	2715.94	110.19	104.62	65.29	148.42	1090.30	1008.37	4863.16	3977.35
Financial exp.	710.68	1117.69	0.01	0.00	13.05	38.71	2.81	9.50	726.55	1165.90
Income tax current	700.00	340.00	0.00	0.00	0.00	0.00	0.00	0.00	700.00	340.00
Wealth Tax	0.82	6.25	0.00	0.00	0.00	0.00	0.00	0.00	0.82	6.25
MAT Credit Entitlement	0.00	(14.46)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(14.46)
F B T	0.00	15.10	0.00	0.00	0.00	1.27	0.00	0.45	0.00	16.82
Deferred tax assets/Lia.	184.43	19.45	0.00	0.00	0.00	0.00	0.00	0.00	184.43	19.45
Inter segment Exp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit</b>	<b>2001.45</b>	<b>1270.81</b>	<b>110.18</b>	<b>104.62</b>	<b>52.24</b>	<b>108.44</b>	<b>1087.49</b>	<b>998.42</b>	<b>3251.36</b>	<b>2482.29</b>
3 i) Other Information :										
Segment Assets	44524.84	46538.48	393.51	358.92	3301.66	3318.55	3834.19	3054.46	52054.20	53270.41
Inter Branch/Segment	2273.03	1736.76	534.17	452.71	-1659.02	-1579.92	-1148.17	-609.55	0.01	0.00
Unallocated assets										
<b>Total Assets</b>	<b>46797.87</b>	<b>48275.24</b>	<b>927.68</b>	<b>811.63</b>	<b>1642.64</b>	<b>1738.63</b>	<b>2686.02</b>	<b>2444.91</b>	<b>52054.21</b>	<b>53270.41</b>
Segments Liabilities :										
Share Capital	963.04	963.04	0.00	0.00	0.00	0.00	0.00	0.00	963.04	963.04
Reserve & Surplus	32098.20	30331.27	822.41	712.24	1483.19	1430.95	2483.63	1396.14	36887.43	33870.60
Secured & Unsecured Loan	4531.96	8787.05	0.00	0.00	65.43	241.93	0.00	830.00	4597.39	9858.98
Segment liabilities	8673.09	7846.73	105.27	99.39	94.02	65.75	202.39	218.77	9074.77	8230.64
Unallocated liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	531.58	347.15	0.00	0.00	0.00	0.00	0.00	0.00	531.58	347.15
<b>Total Liabilities</b>	<b>46797.87</b>	<b>48275.24</b>	<b>927.68</b>	<b>811.63</b>	<b>1642.64</b>	<b>1738.63</b>	<b>2686.02</b>	<b>2444.91</b>	<b>52054.21</b>	<b>53270.41</b>
iii) Capital Expenditure	936.66	898.66	1.07	0.00	7.07	10.93	0.70	9.89	945.50	919.48
Depreciation	565.46	392.65	16.28	16.43	72.55	72.13	1.75	1.61	656.04	482.82
Amortisation	114.35	114.35	0.00	0.00	0.00	0.00	0.00	0.00	114.35	114.35
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

**Particulars in respect of Consumption of Raw Material, Accessories and bought out items for the year ended on 31st March, 2010**

S.No.	Particular		2009-2010		2008-09	
			Qty	Amount (Rs.)	Qty	Amount (Rs.)
1.	Structural Steel	Mt	12946.687	573931592.38	5269.489	256377154.00
		Mtr	595		2993	
		Nos	64		185	
2.	Stainless Steel	Mt	116.185	9962833.00	72.476	8707558.00
		Nos			8	
3.	Castings	Mt	305.218	15612736	44.551	2595777.00
		Nos	66		7	
4.	Brass	Mt	7.716	30178017.00	1.954	498579.00
		Nos	172		4	
5.	Bought Out	Mt		68561106.86	40.337	64854300.21
		Mtr	3351		12782	
		Nos	1232		1038	
		Ltr.	13048		30096	
6	Accessories		22889929.60		15241726.51	
7	Civil Construction material		128284119.50		88949413.86	
8	Food & Beverage *		9447019.81		8470146.96	
	<b>Total</b>		<b>858867354.15</b>		<b>445694655.54</b>	

Note: Quantity of Food & Beverage- Hotel Division not furnished refer note no 25 (e)

For **Om Metals Infraprojects Limited**

Sd/-

Director



Annexure to notes no 25 Schedule no. 18 for the year ended on 31.03.2010  
Particulars in respect of Opening stock, Production, Trading, Purchases, Sales & Closing Stock

S.No.	Particular	Unit	Opening Stock				Production		Purchase			
			Current Year		Previous Year		Current Year	Previous Year	Current Year		Previous Year	
			Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
1.	Dam Gates, Hoist, Hydro Mechanical Equipments and other fabricated goods	Mt	159.076	19533973.000	230.421	15912382.000	9088.760	2659.439	235.045	13176210.000	263.100	19077639.420
		Set	1.600	0.000	0.000	0.000	295.400	197.600	1.000	0.000	1.000	0.000
		Nos	0.000	0.000	0.000	0.000	1.000	0.000	23.000	0.000	24.000	0.000
		Sqm	0.000	0.000	0.000	0.000	0.000	266.000	0.000	0.000	0.000	0.000
2.	Scrap	MT	274.060	5481200.00	117.763	2987980.00	574.378	311.731	0.000	0.000	0.000	0.000
3. & 4.	Escalation, Erection & Other Receipts, Transportation, Drawing & Design				0	0.000		0.000			0.000	0.000
	<b>Sub Total :-</b>			<b>25015173.00</b>		<b>18900362.00</b>	<b>9959.538</b>	<b>3434.770</b>		<b>13176210.00</b>		<b>19077639.420</b>
5.	Turnover of Real Estate (WIP sales of Flats)	Nos			0.000	0.000		0.000	0.000	0.000	0.000	0.000
6.	Hotel Divison	0			0.000	0.000		0.000	0.000	0.000	0.000	0.000
7.	Multiplex Div.		0	0	0.000	0.000		0.000	0.000	0.000	0.000	0.000
8.	Wind Power Generation	UNIT			0.000	0.000		456203.000	0.000	0.000	0.000	0.000
	<b>Grand Total</b>			<b>25015173.000</b>		<b>18900362.000</b>				<b>13176210.000</b>		<b>19077639.420</b>

For Om Metals Infraprojects Limited

Sd/-

Director

**Annexure to notes no 25 Schedule no. 18 for the year ended on 31.03.2010**  
**Particulars in respect of Opening stock, Production, Trading, Purchases, Sales & Closing Stock**

S.No.	Particular	Unit	Sales				Closing Stock			
			Current Year		Previous Year		Current Year		Previous Year	
			Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
1	Dam Gates, Hoist, Hydras Mechanical Equipments and other fabricated goods	Mt	9272.276	1454581534.340	2993.884	496196916.000	210.605		159.076	19533973.000
		Set	298.000	0.000	197.000				1.600	
		Nos	24.000	0.000	24.000				0.000	
		Sqm			266.00				0.000	
2	Scrap	MT	547.103	3044570.000	155.434	3498943.000	301.335	5023538.000	274.060	5481200.000
3	Escalation, Erection & Other Receipts			199936699.000	0.000	239339562.000			0.000	0.000
	<b>Sub Total :-</b>			<b>1657562803.340</b>		<b>739035421.000</b>				<b>25015173.000</b>
4	Transportation, Drawing & Design Receipts			57944210.000	0.000	14242973.000	0.000	0.000	0.000	0.000
	<b>Sub Total :-</b>			<b>1715507013.34</b>		<b>753278394.000</b>		<b>0.000</b>		<b>25015173.000</b>
5	*Turnover of Real Estate (WIP sales of Flats)			235719447.130	0.000	231580273.690	0.000	0.000	0.000	0.000
6	Hotel Divison	0		55609479.800	0.000	53547561.600	0.000	0.000	0.000	0.000
7	Multiplex Div.			12961078.000		12156966.000	0.000	0.000	0.000	0.000
8	Wind Power Generation	UNIT		1869828.000	456203.000	3798253.000	0.000	0.000	0.000	0.000
	<b>Grand Total</b>			<b>2021666846.270</b>		<b>1054361448.290</b>		<b>0.000</b>		<b>25015173.000</b>

Notes: 340.071 Mt. scrap captive used included in scrap sales.

For Om Metals Infraprojects Limited

Sd/-

Director



## Cash Flow Statement for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>I Cash Flow from operation Activities</b>		
<b>A Net Profit before Taxation and Extraordinary Item</b>	413661028.84	281145177.10
<b>Add :-</b>		
Depreciation	65603838.44	48282408.45
Interest and Bank Commission Paid	72654832.32	116591540.78
Loss on sale of Fixed Assets	0.00	115812.88
Loss on Sale of Investment	197839.95	12145179.96
Public Issue Exp. Written off	11434865.00	11434865.00
	<b>563552404.55</b>	<b>469714984.17</b>
<b>Less :-</b>		
Interest Receipt	68529676.26	102144513.33
	<b>68529676.26</b>	<b>102144513.33</b>
<b>B Operating Profit before working capital changes</b>	495022728.29	367570470.84
<b>Adjustments for :</b>		
Trade and other receivable	-339093219.84	-174381086.88
Inventories	169730976.11	-284744872.03
Loans & Advance	-217874438.55	-114497568.20
Trade & Other Payable	16822846.52	95608355.61
Provision for Gratuity & Leave Encashment	1452642.00	1596902.00
	<b>126061534.53</b>	<b>-108847798.66</b>
<b>Less :-</b>		
Direct Taxes Paid	103079876.25	-48766324.20
Net cash flow from operating activities	<b>(A) 22981658.28</b>	<b>-60081474.46</b>
<b>Cash flow from investing activities :</b>		
Purchase of fixed assets	-94549591.07	-91948343.41
Increase in Capital, WIP and Advances	6242279.00	40013526.50
Investments	-104281309.31	135181314.14
Sale of Fixed Assets	0.00	9038548.00
Interest received	68529676.26	102144513.33
Capital Receipt under relinquishment of Right in JV	0.00	0.00
Net cash flow from / used in investing activities	<b>(B) -124058945.12</b>	<b>194429558.56</b>
<b>Cash Flow from financing activities :</b>		
Interest and Bank Commission paid	-72654832.32	-116591540.78
Secured Loan as Term Loan	-275277469.92	147342939.66
Secured Loan as Work Cap.	-250881548.83	258295808.34
Dividend / Dividend Tax Paid	-24171293.00	-20897445.00
Net cash used in financing activities	<b>(C) -622985144.07</b>	<b>268149762.22</b>

# Cash Flow Statement for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>Increase / (Decrease) in cashand cash equivalents</b>		
A. Cash Flow from Operating Activities	22981658.28	-60081474.46
B. Cash Flow from Investing Activities	-124058945.12	194429558.56
C. Cash Flow from Financing Activities	-622985144.07	268149762.22
Net Increase / Decrease in Cash Flow During Year	-724062430.91	402497846.32
Cash and cash equivalents at beginning of year	1425105984.32	1022608138.00
Cash and cash equivalents at end of the year	<b>701043553.41</b>	<b>1425105984.32</b>
Notes to accounts	18	

The schedule referred to above and the notes on Accounts form an integral part of the Cash flow Statement

As per our Report of even date annexed

For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**  
Chartered Accountants

sd/-  
**T. C. Kothari**  
Chairman

sd/-  
**C. P. Kothari**  
Mg. Director

sd/-  
**D. P. Kothari**  
Director

sd/-  
**S. K. Mahipal**  
Partner  
M.No. 70366

sd/-  
**Sunil Kothari**  
Director

sd/-  
**Reena Jain**  
Company Secretary

sd/-  
**S. K. Jain**  
CFO

Place : Kota

Dated : 28.05.2010



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

<b>1 REGISTRATION DETAILS</b>		
Registration No.		L27203RJ1971PLCO03414
Balance sheet date		31st March 2010
<b>2 CAPITAL RAISED DURING THE YEAR</b>		(Rs. in lacs)
Public Issue		Nil
Right Issue		Nil
Bonus Issue		Nil
Private placement (Promoter's contri.)		Nil
<b>3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		
Total Liabilities		42979.44
Total Assets		42979.44
<b>SOURCES OF FUNDS</b>		
Paid up Capital		963.04
Reserves & Surplus		36887.43
Deffered tax Liabilities		531.58
Secured Loans		4597.39
Unsecured Loans		0.00
<b>Total</b>		<b>42979.44</b>
<b>APPLICATION OF FUNDS</b>		
Net fixed assets		13720.88
Investments		5287.51
Net current assets		23856.70
Misc exp.		114.35
		<b>42979.44</b>
<b>4 PERFORMANCE OF THE COMPANY</b>		
Turn over		20563.18
Total Expenditure		16426.57
Profit before tax		4136.61
Profit after tax		3251.36
Earning per share in Rs.		3.38
Dividend rate %		10%
<b>5 GENERIC NAMES OF THERE PRINCIPAL PRODUCTS/SERVICE OF THE COMPANY</b>		
(As per monetary terms)		
Item code No.	1.	Mfg. Of gates & gates parts
	2.	Hotel cum Revolving Restaurant
	3.	Cinema
	4.	Real Estate
Products/ services description		

For and on behalf of Board of Directors

sd/-  
**T. C. Kothari**  
Chairman

sd/-  
**C. P. Kothari**  
Mg. Director

sd/-  
**D. P. Kothari**  
Director

sd/-  
**Reena Jain**  
Company Secretary

sd/-  
**S. K. Jain**  
CFO

Place : Kota  
Dated : 28.05.2010

# Auditor's Report

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

1. We have audited the attached consolidated Balance sheet of M/s. OM METALS INFRA PROJECT LIMIED ('the Company') and its subsidiaries, joint ventures and Associates (collectively referred to as 'the Group'), as at 31.03.2010, and also the consolidated profit and loss account and also the consolidated cash flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Om Metals Infracproject Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence, supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We have not audited the financial statements of a subsidiary i.e. Om Metal Auto (P) Limited, and joint ventures i.e. OMIL + JSC Ukrain, Kaming, Om Metals Consortium, Sanmati Infra Developers (P) Limited, Pondichary port Limited of Om Metals Infracprojects Ltd., whose financial statements (to the extent of the group's proportionate share) reflect total assets of Rs. 8022.30 lacs (previous years Rs. 7805.99 lacs) as at 31.03.2010, the total revenue of Rs. 6036.84 (previous years Rs. 4182.89 lacs) and net cash outflow amounting to Rs. 6696.38 (previous year net cash inflows Rs. 3836.09 lacs) for the year then ended. These financial statements and other financial statements / information have been audited by other auditors, whose reports have been furnished to us. And our opinion, in so far as it relates to the amounts included in respect of these subsidiary and joint ventures, is based solely on the report of other auditors.

The financial statements of joint venture or associate companies of Om Metals Real Estate Private Limited (100% Subsidiary) i.e. Om Shivay Real Estate Private Limited, N.K.P. Holding Priivate Limited, Om Metals Developers Private Limited, Om Sensation Properties Private Limited and Sanmati Build Con Private Limited as on 31.03.2010 are not available to us. In the absence of their financial statements we have not been adjusted in the consolidated financial statements.

4. Subject to the matters referred to in paragraph 3 above :
  - a) we report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standard (AS) 23, Accounting for investment in Associates in Consolidated Financial Statements and (AS) 27 Financial Reporting of interests in Joint ventures, notified pursuant to the Companies (Accounting Standards) Rules, 2006.
  - b) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i) in the case of the consolidated balance sheet, of the State of affairs of the Group as at 31.03.2010;
    - ii) in the case of the consolidated profit and Loss account, of the consolidated profit of the Group for the year ended on that date; and
    - iii) In the case of the consolidated cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

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

Place : Rajasthan  
Dated : 28.05.10

sd/-  
**S. K. Mahipal**  
Partner  
M.No.70366



# Balance Sheet

 as at March 31, 2010

Particulars	Schedules	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SOURCES OF FUNDS :</b>			
<b>Share Holder's Funds :</b>			
Share Capital	1	96303809.00	96303809.00
Reserves & surplus	2	3711459080.86	3392563357.49
		<b>3807762889.86</b>	<b>3488867166.49</b>
<b>Loan Funds :</b>			
Secured Loans	3	470628677.15	1011152814.28
Unsecured Loans	3A	68792288.50	69606339.60
		<b>539420965.65</b>	<b>1080759153.88</b>
Minority Interest		573713.00	698788.65
Deferred Tax Liabilities (Net)		52843455.00	34546921.00
<b>(Refer note no. 15)</b>			
<b>Total Sources of Funds</b>		<b>4400601023.51</b>	<b>4604872030.02</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Goodwill		21235609.54	3884847.35
Gross Block	4	2008088706.13	1911791903.33
Less : Depreciation to date		326543247.86	252091836.23
		1681545458.27	1659700067.10
Add : Capital work in progress/Advance		445859604.55	441904628.05
		<b>2148640672.36</b>	<b>2105489542.50</b>
<b>Investments</b>	5	464662340.71	419721813.96
<b>Current Assets, Loans &amp; Advances</b>	6		
Inventories		663872297.31	879290358.85
Sundry debtors		808226783.75	446370260.96
Cash and bank balances		767661825.78	1437300264.72
Loans and advances		622799624.78	353815856.84
		2862560531.62	3116776741.37
Less : Current liabilities & Prov.			
Liabilities	7	858357900.02	900741660.68
Provisions	8	241811461.50	173584750.00
		<b>1762391170.09</b>	<b>2042450330.69</b>
Miscellaneous Expenditures (To the extent not written off or adjusted)	9	24906840.35	37210342.87
<b>Total application of funds</b>		<b>4400601023.51</b>	<b>4604872030.02</b>
NOTES TO ACCOUNTS	18		

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

As per our Report of even date annexed

For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**  
Chartered Accountants

sd/-  
**T. C. Kothari**  
Chairman

sd/-  
**C. P. Kothari**  
Mg. Director

sd/-  
**D. P. Kothari**  
Director

sd/-  
**S. K. Mahipal**  
Partner  
M.No. 70366

sd/-  
**Reena Jain**  
Company Secretary

sd/-  
**S. K. Jain**  
CFO

Place : Kota  
Dated : 28.05.2010

# Profit and Loss Account for the year ended March 31, 2010

Particulars	Schedules	2009-10 (Rs.)	2008-09 (Rs.)
<b>INCOME :</b>			
Turnover	10	2619605043.25	1470821492.46
Less : Excise duty on sales of Engg. goods		55230522.00	25499357.00
		<b>2564374521.25</b>	<b>1445322135.46</b>
Other Income	11	77746788.15	121553387.71
Increase (decrease) in stocks	12	-190598240.15	94415131.49
<b>Total</b>		<b>2451523069.25</b>	<b>1661290654.66</b>
<b>EXPENDITURE :</b>			
Material consumed / Trading Purchases	13	1396128914.95	797708921.23
Payments to & prov. for employees	14	85576168.75	66107955.97
Manufacturing & Operating Expenses	15	252439396.37	182090794.07
Establishment & selling expenses	16	150169606.56	155094211.08
Financial expenses	17	76379480.58	122692358.40
		<b>1960693567.21</b>	<b>1323694240.75</b>
Profit before depreciation & taxation		490829502.04	337596413.91
Add: Share in Profit/(Loss) of Sanmati Infra Developer P Ltd.		(2354186.50)	0.00
		488475315.54	337596413.91
Less : Depreciation		74455009.12	55842286.45
Less : Transferred from Revaluation Reserve		260025.22	299373.06
Less : Depreciation Capitalised		98174.00	104979.00
		<b>74096809.90</b>	<b>55437934.39</b>
Profit before taxation		414378505.64	282158479.52
Less : Provision for income tax		71189700.00	34463000.00
Less : Provision for Wealth Tax		82000.00	625000.00
Add : MAT credit entitlement		0.00	1445815.00
Less : Fringe benefit tax		0.00	1954175.00
Less : Deferred tax charge/(Credit)		18296534.00	(1018611.00)
Profit after tax		<b>324810271.64</b>	<b>247580730.52</b>
Less : Transfer to Capital profit (pre Acquisition)		649237.81	0.00
Less:- Share of Minority in Profit/ (Loss) of subsi. Co.		175132.76	(194180.04)
Balance brought forward from previous year (Refer note no. 18 in Schedule no. 18)		817996723.28	643345526.57
Add: Corporate Dividend Tax Written back		0.00	1636684.00
Add: Excess provision of FBT Written back		30000.00	0.00
<b>Profit available for appropriation.</b>		<b>1142012624.35</b>	<b>892757121.13</b>



# Profit and Loss Account

 for the year ended March 31, 2010

Particulars	Schedules	2009-10 (Rs.)	2008-09 (Rs.)
<b>Appropriations</b>			
Share of Loss in Sanmati Infra Dev. (P) Ltd (previous year)		(3419.25)	(1710.00)
Preliminary Exp. of Sub. Co. Om Auto (P) Ltd		(21529.31)	(21529.31)
Transfer to General Reserve		35000000.00	24000000.00
Proposed Dividend on equity Shares			
- Interim		19260762.00	9630381.00
Corporate dividend Tax		3273366.00	1637165.00
Income Tax Exp. Earlier year		658094.00	39823212.12
Balance carried to balance sheet		1083845350.91	817689602.32
		<b>1142012624.35</b>	<b>892757121.13</b>
Basic and Diluted Earning per Share (Rs.)		3.37	2.57
Nominal value of share (Rs.)		1	1
Ref. Note No. (7) in schedule 18			
NOTES TO ACCOUNTS	18		

The schedule referred to above and the notes to Accounts form an integral part of the Profit and Loss Account

As per our Report of even date annexed

For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**

Chartered Accountants

sd/-

**S. K. Mahipal**

Partner

M.No. 70366

Place : Kota

Dated : 28.05.2010

sd/-

**T. C. Kothari**

Chairman

sd/-

**Reena Jain**

Company Secretary

sd/-

**C. P. Kothari**

Mg. Director

sd/-

**S. K. Jain**

CFO

sd/-

**D. P. Kothari**

Director

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL AUTHORISED</b>		
101600000 Equity Share of Rs.1/- each	101600000.00	101600000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
96303809 Equity Share of Rs.1/- each	96303809.00	96303809.00
<b>Total</b>	<b>96303809.00</b>	<b>96303809.00</b>
Notes :		
1) In accordance with the resolution passed by shareholders through postal ballot on 06-08-2005 equity shares of the face value of Rs. 10/- each were divided into 10 equity shares of Rs. 1/- each.		
2) Above issued, subscribed and paid up capital includes :-		
a) 42554000 nos. of fully paid Equity Share of Rs.1/- each were allotted as bonus shares by way of capitalisation of reserves and Profit & Loss Account.		
b) 20112659 Shares of Rs. 1 each have been allotted for consideration other than cash, pursuant to the scheme of amalgamation sanctioned by Hon'ble High Court of Rajasthan dated 19.01.2007 to the share holders of erstwhile.		
Om Rajasthan Carbide Limited	5476259	equity shares
Jupiter Manufacturing Co. (P) Limited	5318400	equity shares
Om Structural India (P) Limited	5808000	equity shares
Om Kothari Cement & Chemicals (P) Limited	1410000	equity shares
SAH Buildcon (P) Limited	1050000	equity shares
Richa Builders (P) Limited	1050000	equity shares
<b>Total</b>	<b>20112659</b>	
(3) Out of the shares issued under scheme of amalgamation, 5044160 shares, shall remain in lock in period for three years from the date of listing at BSE i.e 19.03.2007		

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2009 (Rs.)
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>A. Revaluation Reserve</b>				
As per last balance sheet	4017828.92		4317201.98	
Less :- Transferred to P & L A/c	260025.22		299373.06	
		3757803.70		4017828.92
<b>B. Capital Reserve</b>				
As per last Balance sheet	1231810945.25		1231810945.25	
Add :- Capital receipts under relinquishment of rights in JV (See note no. 19)	0.00	1231810945.25	0.00	1231810945.25
<b>C. Security Premium</b>				
As per last balance sheet	1229264600.00		1229264600.00	
Add :- Received during the year	18000000.00	1247264600.00	0.00	1229264600.00
<b>D. General Reserve</b>				
As per last balance sheet	109780381.00		76150000.00	
Add :- Transferred from P & L A/c*	35000000.00	144780381.00	33630381.00	109780381.00
<b>E. Surplus</b>				
(Profit as per profit and loss account annexed)		1083845350.91		817689602.32
<b>Total</b>		<b>3711459080.86</b>		<b>3392563357.49</b>

\* Includes corporate dividend aggregating of Rs. 9630381 provided in previous year not approved by share holders.



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>A) TERM LOAN</b>		
From SBBJ	99437897.91	335096025.90
See note No.1 (a)		
From Others banks	91018264.77	151071240.55
See note No.1(b)		
<b>Sub-Total</b>	<b>190456162.68</b>	<b>486167266.45</b>
<b>A) WORKING CAPITAL LOAN</b>		
From Banks (Rupee loan) (See note No.2)	229729363.47	348117170.83
<b>B) SHORT TERM LOAN AGAINST FDR from Bank (See note No.3)</b>	50443151.00	176868377.00
<b>Sub-Total</b>	<b>280172514.47</b>	<b>524985547.83</b>
<b>Total</b>	<b>470628677.15</b>	<b>1011152814.28</b>

**Note :**

(i) Term Loan includes Rs. 1280.06 Lacs due with in a year (previous year Rs. 2517.97 lacs)

**Note :**

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

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 3A</b>		
<b>UNSECURED LOANS</b>		
1 From Others	68792288.50	69606339.60
2 From other on short term demand	0.00	0.00
<b>Total</b>	<b>68792288.50</b>	<b>69606339.60</b>

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

## SCHEDULE - 4

Particulars	As at 01.04.2009	Additions	Sales/ Transfer	Total Cost As at 31.03.2010	Depreciation Up to 31.03.2010	Depreciation During The Year	Transfer Written Back	Total Depre- Ciation	W.D.V. 31.03.2010	W.D.V. 31.03.2009
Free Hold Land	127213160.00	0.00	0.00	127213160.00	0.00	0.00	0.00	0.00	127213160.00	127213160.00
Lease hold land including Tenancy right	834035188.00	1635092.00	0.00	835670280.00	569834.74	43313.00	0.00	613147.74	835057132.26	833465353.26
Agriculture Land	557714.02	0.00	0.00	557714.02	0.00	0.00	0.00	0.00	557714.02	557714.02
Building/ Temp. Labour Quarter Shed	472397890.73	10424145.00	0.00	48282035.73	59518942.15	13610588.61	0.00	73129530.76	409692504.97	412878948.58
Plant & Machinery	365287817.72	54419983.10	0.50	419707800.32	124917281.95	35882933.34	0.00	160800215.30	258907585.02	240370535.77
Furniture & Fixture	38981575.88	7426428.47	5709650.07	40698354.28	17521463.76	4097322.53	0.00	21618786.29	19079567.99	21460112.12
Office Equipments	11170538.80	2006405.80	556959.00	12619985.60	5261060.02	960227.72	0.50	6221287.24	6398698.36	5909478.78
Computer	9181593.85	577795.00	59990.00	9699398.85	6185854.55	1390004.33	3597.00	7572261.88	2127136.97	2995739.30
Vehicle	33555723.33	12471353.00	0.00	46027076.33	18706698.06	6400829.59	0.00	25107527.65	20919548.68	14849025.27
Temp. Wooden Hut (100%)	19410701.00	13662200.00	0.00	33072901.00	19410701.00	12069790.00	0.00	31480491.00	1592410.00	0.00
TOTAL	1911791903.33	102623402.37	6326599.57	2008088706.13	252091836.23	74455009.12	3597.50	326543247.86	1681545458.27	1659700067.10
Capital Work in Progress										
Om Metals Infraprojects Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13504354.50	19746633.50
Podicherry Port Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35726330.50	27743409.50
Om Metals Consortium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	395428919.55	393214585.05
OMIL + JSC JV Kameng	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1200000.00	1200000.00
Total Capital Work in Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	445859604.55	441904628.05
Grand Total	1911791903.33	102623402.37	6326599.57	2008088706.13	252091836.23	74455009.12	3597.50	326543247.86	2127405062.82	2101604695.15
Figures for the previous year	1815786643.22	127395411.58	31390151.47	1911791903.33	202563310.35	55842286.45	6313765.85	252091836.23	2101604695.15	2078334163.47



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	No.	Face Value	As At	
			31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 5</b>				
<b>I a) LONG TERM INVESTMENTS</b>				
(Government and other securities (unquoted))				
National Saving Certificate (Deposited with in Sales Tax Dept. interest is to be adjusted on realisation)				
			30000.00	30000.00
<b>b) OTHER INVESTMENTS INCL. JV (UNQUOTED)</b>				
Ordinary Share (Fully paid up)				
Sanmati Infra Developers Pvt. Ltd.	500000	10.00	2634462.75	4985230.00
Sanmati Infra Developers Pvt. Ltd. (Share Warrant)	450000	10.00	4500000.00	4500000.00
Om Shivaya Real Estate Pvt. Ltd. JV	500000	10.00	5000000.00	5000000.00
N.K.P. Holdings Pvt. Ltd. JV		0.00	11111500.00	0.00
Om Metals Developers Pvt. Ltd.	3250	10.00	32500.00	32500.00
Om Sensational Properties Pvt. Ltd.	1250	10.00	12500.00	12500.00
Sanmati Buildcon Pvt. Ltd.	16000	10.00	160000.00	160000.00
Sanyon Properties Pvt. Ltd.	531500	10.00	5315000.00	5315000.00
Om Gaima Pvt. Ltd. (J.V.)	4900	10.00	0.00	49000.00
			<b>28765962.75</b>	<b>20054230.00</b>
<b>c) OTHER INVESTMENTS (QUOTED)</b>				
Ordinary Share (Fully paid up)				
Manglam Timber Ltd.	800	10.00	17040.00	17040.00
Reliance Capital Ltd. *	3	10.00	897.00	897.00
Reliance Communication Ltd. *	60	5.00	8972.00	8972.00
Reliance Infrastructure Ltd. *	4	10.00	1196.00	1196.00
Reliance Natural Resources Ltd *	60	5.00	8972.00	8972.00
Reliance Industries Ltd. *	100	10.00	17963.00	17963.00
State Bank of India	50	10.00	5000.00	5000.00
Century Enka Ltd.	20	10.00	6000.00	6000.00
Shiv Vani Oils Ltd.	31500	10.00	14559628.93	15044584.93
JM Emerging Leaders Fund	311964	16.03	5000000.00	5000000.00
JM Basic Fund Growth Plan	196036	6.59	1292774.00	1292774.00
DSP Blackrock Tigre Growth Fund	232317	10.53	2445744.00	2445744.00
Reliance Vision Growth Plan	8560	128.82	1102698.61	1102698.61
Reliance Banking Fund Growth Plan	70902	70.52	2603726.42	2603726.42
Sundram BNP Capex Growth Plan	90546	11.72	1061285.00	1061285.00
SBI Megnum Equity Fund	150000	10.00	1500000.00	0.00
			<b>29631896.96</b>	<b>28616852.96</b>

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	No.	Face Value	As At	
			31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 5 (Contd.)</b>				
<b>(d) Investment in J V / Partnership/Subsidiary</b>				
Om Ray Construction - JV			6737230.00	0.00
OMIL SPML JV (Road)			378020.00	0.00
Om Shivaya Real Estate Pvt. Ltd. JV			175100000.00	175100000.00
Sanmati Buildcon Pvt. Ltd. JV			1890000.00	1890000.00
Om Metals Developers Pvt. Ltd. JV			187129231.00	184029231.00
Om Sensational Properties Pvt. Ltd. JV			10000000.00	10001500.00
N.K.P. Holdings Pvt. Ltd. JV			25000000.00	0.00
			<b>406234481.00</b>	<b>371020731.00</b>
<b>Grand Total</b>			<b>464662340.71</b>	<b>419721813.96</b>

**NOTE :**

- Aggregate value of investments
 

Quoted	296.32	286.17
Unquoted	287.66	200.54
Market price -quoted		116.55
- IPCL Amalgamated and share allotted in amalgamated companies.

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>I. INVENTORIES</b>		
<b>A RAW MATERIAL &amp; STORES</b>		
i) Raw material, accessories & components food beverage & liquor	104967544.80	262431074.85
ii) Store & spares and coal	901027.37	2765793.31
iii) Goods in transit	0.00	2779564.00
<b>B FINISHED GOODS</b>		
Fabricated goods, Cars and others	52610726.47	71830327.88
<b>C WORK IN PROGRESS</b>		
Engineering division including real estate of sub.	226752640.85	401156281.59
Real estate	278640357.82	138167774.69
<b>D Others</b>		
	0.00	159542.53
<b>Sub Total (A)</b>	<b>663872297.31</b>	<b>879290358.85</b>
<b>2. SUNDRY DEBTORS</b>		
(Unsecured considered good except to the extent stated)		
a) Debtors outstanding for a period exceeding 6 months	54973257.99	25472301.45
b) Other debtors	753253525.76	420897959.51
<b>Sub Total (B)</b>	<b>808226783.75</b>	<b>446370260.96</b>



# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 6 (Contd.)</b>		
<b>3. CASH &amp; BANK BALANCE</b>		
a) Cash in hand	5754696.39	5323332.50
b) <b>Balances with Scheduled Banks</b>		
i) In Current Account	165930443.76	169577965.64
ii) In Saving Bank A/c	2042972.93	35129.93
iii) In Fixed Deposit Receipts and in margin account. (includes FDR Rs.1239.97 lacs (Rs. 1254.55 lacs in previous years) pledged with banks against B.G./L.C. Issued by the Banks.)	564326611.77	1191990172.84
iv) Interest accrued on FDR	29607100.93	70373663.81
<b>Sub Total (C)</b>	<b>767661825.78</b>	<b>1437300264.72</b>
<b>4. LOANS AND ADVANCES</b>		
Unsecured (Considered good unless otherwise stated)		
1) Loans		
i) Corporate Loans	135631349.00	50702838.00
ii) Others to staff	770986.67	362765.57
iii) To Joint Venture/Associates	50296338.97	16867699.40
2) Advances recoverable in cash or in kind or for value to be received	125080773.82	74359086.25
3) Balance with customs & central excise authorities etc.	1674237.80	6043806.55
4) Deposits	49259938.76	44189736.76
5) Income taxes paid including FBT & MAT credit entitlement	260085999.76	161289924.31
<b>Sub Total (D)</b>	<b>622799624.78</b>	<b>353815856.84</b>
<b>Grand Total (A+B+C+D)</b>	<b>2862560531.62</b>	<b>3116776741.37</b>

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
For Goods		
(i) Total out standing dues of Micro, small and Medium enterprises Development Act, 2006 for goods & others (Ref. Note No. 8 of Schedule No. 18)	1330466.00	2278282.62
(ii) Total out standing dues of Creditors other than Micro, small and medium enterprises	127485607.12	135161828.34
For Expenses & other Liabilities		
Government dues	71383246.53	68258529.52
Advance & Security deposit from Customers,	5000475.34	11608807.92
Deposit from jsc ukrain	632377884.33	662950394.88
Unclaimed statutory liabilities (as referred in Sec 205 C of the Companies Act,1956)	20000000.00	20000000.00
Unclaimed dividend *	780220.70	483817.40
<b>Grand Total</b>	<b>858357900.02</b>	<b>900741660.68</b>

Note :

- (i) The Bank Guarantee of Rs. 3837.02 lacs issued by Bank for advance taken from Customers. (in previous year Rs. 5875.22 lacs)
- (ii) \* Pending for reconciliation

# Schedule Annexed to and forming part of the Balance Sheet

as at March 31, 2010

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 8</b>		
<b>PROVISIONS</b>		
For Income tax	234879193.00	163847293.00
For Wealth tax	166800.00	625000.00
For F B T	0.00	2189175.00
For Gratuity	5283685.50	4002037.00
For Leave Encashment	1481783.00	1284080.00
Tax on proposed dividend	0.00	1637165.00
<b>Total</b>	<b>241811461.50</b>	<b>173584750.00</b>
<b>Grand Total</b>	<b>1100169361.52</b>	<b>1074326410.68</b>

Particulars	Figures as at 31.03.2010 (Rs.)	Figures as at 31.03.2009 (Rs.)
<b>SCHEDULE - 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Exp.	132725.00	133465.00
Add. Addition during the year	41180.00	0.00
	173905.00	133465.00
Less : 1/5 <sup>th</sup> written off during the year	108405.00	740.00
	65500.00	132725.00
Deferred Revenue Exp.		
Opening Balance	14207884.87	14751144.87
Add. Addition during the year	517327.48	55150.00
	14725212.35	14806294.87
Less : Written off during the year	1318740.00	598410.00
	13406472.35	14207884.87
Public Issue Expenses (Op. Balance)	22869733.00	34304598.00
Less : 1/5 <sup>th</sup> written off during the year	11434865.00	11434865.00
	11434868.00	22869733.00
<b>Grand Total</b>	<b>24906840.35</b>	<b>37210342.87</b>



## Schedule Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 10</b>		
<b>TURNOVER</b>		
Sales of products, erection & escla. receipts (Engg)	1784932952.54	797688370.60
Vehicle & its Spare Parts Sales & Labour Charges	472982630.38	357693624.57
Transportation receipts	56893470.00	13383080.00
Drawing & design receipts	3231157.40	1009143.00
Turnover of real estate bussiness	235719447.13	231580273.69
Guest accomo., rest. /canteen, food & beverage receipts of Hotel business	51014479.80	53511781.60
Bussiness income from multiplex	12961078.00	12156966.00
Receipts from wind power electric generation	1869828.00	3798253.00
	<b>2619605043.25</b>	<b>1470821492.46</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 11</b>		
<b>OTHER INCOME</b>		
Interest from deposit & others (Gross)	69234581.26	102919916.52
Dividend receipts	1206796.36	2082705.51
Rent and hire charges	1984200.00	2219700.00
Miscellaneous receipts	4402914.93	5740146.68
Share of Profit from Om Ray JV (previous years)	0.00	7964683.00
Foreign Currency Fluctuation	277986.60	0.00
Excess Provision written back	640309.00	626236.00
<b>Total</b>	<b>77746788.15</b>	<b>121553387.71</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 12</b>		
<b>INCREASE (DECREASE) IN STOCKS</b>		
<b>Opening Stock</b>		
Finished Goods	71830327.88	78859544.13
Work in Progress	401156281.59	299711933.85
Less: Transfer to Capital WIP	3025002.00	0.00
<b>Sub Total</b>	<b>469961607.47</b>	<b>378571477.98</b>
<b>Closing Stock</b>		
Finished Goods	52610726.47	71830327.88
Work in Progress	226752640.85	401156281.59
<b>Sub Total</b>	<b>279363367.32</b>	<b>472986609.47</b>
<b>Increase (Decrease) in Stock</b>	<b>-190598240.15</b>	<b>94415131.49</b>

# Schedule Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 13</b>		
<b>CONSUMPTION OF MATERIAL / TRADING ACTIVITIES</b>		
Opening Stock	262431074.85	52299379.97
Add : Purchases including accessories & boughtout item / semi finished, food & beverage & liquor	787716924.50	705115099.24
<b>Sub - Total</b>	<b>1050147999.35</b>	<b>757414479.21</b>
Less : Closing Stock	104967544.80	262431074.85
	945180454.55	494983404.36
Purchases of finished goods / parts for trading activities	450948460.40	302725516.87
<b>Total</b>	<b>1396128914.95</b>	<b>797708921.23</b>
Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 14</b>		
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages, Bonus & Allowances etc.	68703937.78	57008284.34
Contribution of PF, ESI and other welfare fund scheme	2651617.65	3169903.75
Gratuity	1295676.00	1069398.00
Employee Welfare Exp. Including compensation	12924937.32	4860369.88
<b>Total</b>	<b>85576168.75</b>	<b>66107955.97</b>
Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 15</b>		
<b>MANUFACTURING, AND OPERATING EXPENSES</b>		
Power, & Fuel Expenses	18565925.20	16890281.82
Stores, Spares & Tools Consumed.	31462878.09	23409874.00
Job & other work exp. including drawing & design	121785783.20	100213975.98
Rent / Hire charges for equipment	8435267.73	6750493.00
Transportation Expenses	48770939.43	19461676.36
Repairs & Maintenance		
a) To Machinery	3823662.48	3355254.18
b) To Building	9880471.00	2172987.99
Insurance Expenses	4427586.20	4307677.20
House up-keeping & other hotel / rest. exp.	3293427.45	4185125.75
Linen, wares & cutlery, crockeries & laundry expenses	1993455.59	1343447.79
<b>Total</b>	<b>252439396.37</b>	<b>182090794.07</b>



# Schedule Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 16</b>		
<b>ESTABLISHMENT &amp; SELLING EXP.</b>		
Remuneration to directors	14700000.00	11598500.00
Rent	10800072.80	10327400.80
Rates & taxes	5993612.41	1690722.00
Telephone, telex & postage	6447536.02	6170159.18
Travelling & conveyance expenses	23833402.15	24303888.67
Legal, consultancy, retainership, professional arbitration expenses	31131103.60	36721909.25
General repairs	2957736.00	1659127.27
Vehicle running & maintenance	7615221.30	6036215.04
Miscellaneous expenses	24620954.56	21241801.42
Audit fees	582685.00	376913.00
Charity & donation	3168600.00	2213100.00
Advertisement	4469184.82	3849183.61
Public Issue exp. written off and Other exp. W/off	12890526.00	12062531.00
Claims / rebate & discount exp.	761131.95	2662157.00
Keyman insurance	0.00	1894610.00
Loss on Sales of Investment	197839.95	12145179.96
Loss on Sales of Fixed Assets	0.00	115812.88
Brokerage & Commission	0.00	25000.00
<b>Total</b>	<b>150169606.56</b>	<b>155094211.08</b>

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>SCHEDULE - 17</b>		
<b>FINANCIAL EXPENSES</b>		
Bank charges & Guarantee comission	24735422.59	17215062.63
Interest paid		
a) On Term Loan	35899151.82	42980864.77
b) On working capital / others / project Authority	15744906.17	62496431.00
<b>Sub Total</b>	<b>76379480.58</b>	<b>122692358.40</b>

**SCHEDULE - 18****CONSOLIDATED NOTES TO THE ACCOUNTS :****I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****A. BASIS OF PREPARATION :**

The Consolidated Financial Statements (CFS) have been prepared to comply in all material respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made, revaluation is carried out and claims of liquidated damages on supplies, Warranties, fuel escalation charges payable to the electricity board and other claims accounted for on receipt / payment basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

The CFS relates to Om Metals Infraprojects Ltd. (hereinafter referred as the "Company" and its Subsidiaries, Joint Ventures and Associates (hereinafter referred as the "Group").

**B. PRINCIPLE OF CONSOLIDATION :**

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries, Associates and Joint Ventures have been accounted for in accordance with Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standards (AS) 27, Financial Reporting of Interest in Joint Ventures. The Consolidated Financial Statements have been prepared 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 difference of the cost to the Company of its investment in Subsidiaries and Joint Ventures over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- iv) Minority's 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) Investment in entities in which the Group has significant influence but not the controlling interest, are reported according to the equity method i.e. the investment is initially recorded in at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associates. The consolidated profit and loss account includes the Company's share of the result of the operations of the associate.
- vi) 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.
- vii) The difference between the proceeds from disposal of investment in subsidiary and carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit & Loss Account as the profit or loss on disposal of investment in subsidiary.
- viii) The accounts of all the Group companies are drawn upto the same reporting date as the parent entity (i.e. Financial year ended 31<sup>st</sup> march,2010). Except financial statements of a Joint Venture/Associates company of Om Metals Real Estate Private Limited i.e. Om Shivay Real Estate Private Limited, N.K.P Holding Private Limited, Om Metals Developers Private Limited, Om Sensation Properties Private Limited and Sanmati Build Con Private Limited are not incorporated in consolidation of statement of Om Metals Real Estate Private Limited due to non availability of information.

**C. FIXED ASSETS AND DEPRECIATION :**

- a) Fixed Assets (Other than land & building, plant & machinery of the Company which has been re-valued and stated at the revalued figures) are stated at cost net of Cenvat less accumulated depreciation and impairment, if any. The Cost of acquisition or construction is inclusive of freight, Duties, Taxes and incidental / preoperative expenses and interest on loans attributable to the acquisition of assets upto the date of commissioning of assets. Capital subsidy received against specific assets is reduced from the value of relevant fixed assets.



**OM METALS INFRAPROJECTS LTD.**

- 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. and Real Estate Div. of Om Metals Infraprojects Ltd. which is on written down value method.
- c) Depreciation is not provided during the year in respect of assets sold, discarded etc during the year upto the date of sales/discard.
- d) Depreciation is calculated on pro-rata basis from the date of additions except on. assets of Engg. Division which are depreciated for a full year.
- e) Lease hold land are not depreciated.

**OTHER SUBSIDIARIES, JOINT VENTURES & ASSOCIATES**

- f) In the case of Subsidiary companies depreciation have been provided on written down method as per rates specified in schedule XIV of the Companies Act, 1956.
- g) In the case of Joint Ventures and Associates depreciation have been provided on Straight Line Method as per rates specified in schedule XIV of the Companies Act, 1956 except on assets used in Om Metal Consortium and OMIL + JSC (JV) KAMENG where depreciation is provided on Written Down Value method as per rates specified in Income Tax Act.

**D. GOODWILL ON CONSOLIDATION :**

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

**E. EXPENDITURE ON NEW PROJECT AND SUBSTANTIAL EXPANSION :**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the profit & loss account. Income earned during construction period is deducted from the total of the indirect expenditure.

**F. INVENTORIES :**

Inventories are valued as follows :-

1. a)	Raw Material, Stores & Spares, Components, Construction material. food & beverages and liquor	At cost (FIFO method) or net realizable value, whichever is lower.
b)	Process Stocks	At cost or net realizable value, which ever is lower. Cost for this purpose includes direct cost and factory overheads allocated on absorption cost method.
c)	Finished Goods	Cost as stated in (b) above or net realizable value*, which ever is lower. The cost here includes taxes and duties wherever applicable.
d)	Goods in transit	Are stated at actual cost plus freight, if any.

\* Net realizable value is estimated selling price in the ordinary course of business.

**2. Hotel Division of holding co.**

Stock of operating supplies i.e. crockery, cutlery, glassware, utensils, linen etc. in circulation are treated as consumption as and when issued from the stores.

**3. Subsidiary Companies**

**Om Metals Auto Pvt. Ltd.**

- i) Vehicles are valued at lower of cost or net realizable value. The cost comprises of cost of purchase and other expenses incurred in bring such inventory to there present location.
- ii) Spare Parts are valued at lower of cost or net realizable value which ever is lower. The cost comprise of cost of purchase and other expenses incurred in bringing such inventory to there present location.

(The company is exclusive dealer of Toyota brand cars and having authorized service station.)

- iii) Determination of net realizable value involve technical judgments of management, which has been relied upon.

#### 4. Joint Ventures and Associates

I. a)	Raw Material, Stores & Spares, Components, construction material.	At cost (FIFO method) or net realizable value, whichever is lower.
b)	Process Stocks	At cost or net realizable value, which ever is lower. Cost for this purpose includes direct cost and factory overheads allocated on absorption cost method.
c)	Finished Goods	Cost as stated in (b) above or net realizable value*, which ever is lower. The cost here includes taxes and duties wherever applicable.
d)	Goods in transit	Are stated at actual cost plus freight, if any.

\* Net realizable value is estimated selling price in the ordinary course of business.

#### G. FOREIGN CURRENCY TRANSACTION :

- Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction.
- Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- Non monetary foreign currency items are carried at cost.
- Any income or expenses on account of exchange difference either on settlement or on translation is recognized as revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

#### H. REVENUE RECOGNITION :

- Engineering Division of Om Metals Infra Project Limited.  
Sales of products (Fabricated goods) escalation and erection receipts are accounted for on the basis of bills/invoices acknowledged or paid by the project authorities.
- Other  
Sales comprises of sales of goods, room sales etc. are excluding sales tax / VAT. It is being accounted for net of returns / discount / claims etc.
- Income of interest on refund of income tax is accounted for in the year, the order is passed by the concerned authority.
- Revenue from construction contracts / projects and real estate are recognized on the percentage of completions method of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined.
- Dividend from investments in shares / units is recognized when the Company / mutual fund in which they are held declares the dividend and the right to receive the same is established.
- Subsidiary companies

#### Om Metals Auto Pvt. Ltd.

- Revenue from sales is recognized upon passage of title to the customer and generally coincides with the delivery. Sales are accounted for net of sales tax, other taxes, discounts and returns if any.
- Job charges are accounted for net of service tax.
- The consumption of oil & paints is taken on actual consumption basis in the year of repairing of vehicle.
- Pay outs from Financial Banks and Insurance Companies on bank Finance & Insurance are accounted for as and when the confirmation of transaction received.



Others

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Interest revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

g) Joint Ventures and Associates

OMIL + JSC (JV) KAMENG

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

Others

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Interest revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**I. LEASES :**

Lease where lessors effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating lease. Operating lease payments are recognized as an expenses in the Profit and Loss account on a straight line basis over the lease term.

Assets subject to operating lease are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Cost, including depreciation is recognized as an expenses in the Profit and Loss Account. Initial Direct costs such as legal costs, brokerages costs are recognized immediately in the profit and loss account.

**J. INVESTMENTS :**

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

**K. MISCELLANEOUS EXPENDITURE :**

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

**L. RESEARCH & DEVELOPMENT :**

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

**M. 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.

**N. TAXATION :**

a) Current Tax

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

b) Deferred Tax Liabilities / (Assets)

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

c) Fringe Benefit Tax

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

**O. RETIREMENT BENEFITS :**

a) Company's contribution to recognized provident fund maintained and managed by the office of regional provident fund commissioner paid/ payable during the year is recognized the profit and loss account.

b) Gratuity

The company provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, on death while in employment or on termination of employment of and amount equivalent to 15 days basic salary payable to each completed year of service. Vesting occurs upon completion of 5 years of service. The company has not made annual contributions to funds administered by trustees or managed by insurance companies. Actuarial valuation for the liabilities has, however has not been done.

c) Leave Salaries

Liabilities for privilege leave benefits, in accordance with the rules of the Company is provided for, as prevailing salary rate for the entire un-availed leave balance as at the balance sheet date.

**P. 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 estimation of recoverable amount

**Q. 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. Other contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

**R. SEGMENT REPORTING POLICIES :**

Identification of Segments

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

Allocated common costs

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

Unallocated items :

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

**S. EARNING PER SHARE :**

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

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

**T. USE OF ESTIMATE :**

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



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

Name of the group company	Country of incorporation	% of ownership as at 31.03.2010	% of ownership as at 31.03.2009
<b>Subsidiaries</b>			
Om Metals Auto Pvt. Ltd.	India	91.83%	75.5%
Om Metal Real Estate Pvt. Ltd.	India	100%	100%
Om paradise & Malls Pvt. Ltd.	India	99.97%	0%
Om Automotors Pvt. Ltd.	India	99.97%	0%
<b>Joint Ventures</b>			
OML +JSC Ukrain (JV) Kaming	India	60%	60%
Om Metal Consortium	India	35%	35%
Pondicharry Port Ltd.	India	50%	50%
Sanmati Infra Developers Pvt. Ltd.	India	25%	25%
Om Ray Joint Venture	India	99.5% of Cont. value	99.5% of Cont. value
Om Gaima Projects Pvt. Ltd.	India	49%	0%

- Stake taken by Om Metals Real Estate (P) Ltd (100% Subsidiary) w.e.f. 04.07.2007.

4. Contingent Liabilities (not provided for) in respect of the Parent Company:

(Rs. in lacs)

S. No.	Particulars	As at 31.03.2010	As at 31.03.2009
i)	Outstanding bank guarantee *	12464.25	13508.92
ii)	Letter of credits accepted	6355.48	2871.12
iii)	Claims against the Company not acknowledged a debt relating to supplies and service matters including counter claims of project authorities.	1347.56	1349.06
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 11 below.)	739.90	745.77

Based on favorable decisions in similar cases, legal opinion taken by the Company., discussions with the solicitors, etc, the Company believes that there is fair chance of decisions in it's favour in respect of all the items listed in (iii) (iv) &(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 31.03.2010	O/s. Bank guarantee as at 31.03.2009
OML+JSC, UKRAIN, KAMENG (JV)	2186.00	2361.00
Om Metals Consortium (PF)	950.00	950.00

5. Estimated amount of contracts remaining to be executed (capital commitments) not provided for Rs. 70.47 lacs (Rs. 185.68 Nil lacs in the previous year)

6. Claims raised by the Company / Claims settled with various project authorities/other parties. amounting to Rs. 5706 lacs (Rs. 5710 lacs in previous year), against these claims, the Company has received arbitration awards of Rs. 4.00 lacs (previous year Rs. 213.93 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.

## 7. Earning per Share (E.P.S.)

S. No.	Particulars	2010	2009
i)	Calculation of weighted average number of face value of equity shares of Rs. 1 each		
	No. of shares at the beginning of the year.	96303809	96303809
	Total equity shares outstanding at the end of the year	96303809	96303809
	Weighted average no of equity shares outstanding during the year.	96303809	96303809
ii)	Net Profit after Tax available for equity shares holders (Rs.)	324810272	247580730
iii)	Basic and diluted earning per shares (Rs.)	3.37	2.57
iv)	Nominal value of equity shares (Rs.)	1	1

## 8. Details of dues to Micro Small and medium enterprises as per MSMED Act, 2006.

(Rs. in lacs)

Particulars	2009-2010	2008-2009
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	13.30	22.78
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and medium enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) But without adding the interest specified under Micro Small and medium enterprises Development Act, 2006	*-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises for the purpose of disallowance as a deductible expenditure U/s. 23 of the Micro Small and medium enterprises Development Act, 2006	-	-

\* As per contract with the vendors, no interest is payable on outstanding from MS MED Vendors

## 9. Segment Reporting.

## a) Primary segment : Business Segment.

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

## b) Secondary segment : Geographical segments.

Since the company’s activities/operations are primarily with in the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segments.

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

(Rs. in lacs)

Particulars	Current Year	Previous Year
Revenue from domestic market	26195.63	14704.62
Revenue from overseas market	0.42	3.59
<b>Total</b>	<b>26196.05</b>	<b>14708.21</b>

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



c) Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set in note I of schedule 18 “notes to accounts” the accounting policies in relation to segment accounting are as under :

i) Segment revenue & expenses

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

ii) Segment assets and liabilities

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

iii) Inter segment sales

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

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

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 31<sup>st</sup> March 2010 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.

<b>Name of the related party</b>	<b>Relationship</b>
Om Metal Auto Pvt. Ltd.	Subsidiary company
Om Auto Motors Pvt. Ltd.	Subsidiary company
Om Paradise & Malls Pvt. Ltd.	Subsidiary company
Om Metals Real Estate Pvt. Ltd.	Subsidiary company
Om Metals Ratanakar Pvt. Ltd.	Step Subsidiary company
Skywave Impex Pvt. Ltd.	Enterprises over which significant influence exercised by directors.
Lambodar Finvest Pvt. Ltd.	-do-
Jupiter Metals Pvt. Ltd.	-do-
Om Kothari Pariwarik Trust	-do-
Om Kothari Foundation	-do-
Bahubali Housing Co. Pvt. Ltd.	-do-
Little Star Pvt. Ltd.	-Do-
Benzer Agencies Ltd.	-do-
Om Kothari Enterprises Ltd.	Associate Promoter holding more than 20% or under the same management
Baba Vinimay Pvt. Ltd.	-do-
Om Metals Infotech Pvt. Ltd.	-do-
Alchemy Ventures Pvt. Ltd.	-do-

Key Management persons	Key Managerial Personnel
Shri T. C. Kothari	
Shri C. P. Kothari	
Shri D. P. Kothari	
Shri Sunil Kothari	
Shri Vikash Kothari	
Shri Bharat Kothari	
Shri Vivek Kothari	
Shri Vishal Kothari	
Relatives of Key management persons	Relative of directors
Smt. C. Manjula Kothari	
Smt. D. Manjula Kothari	
Seema Kothari	
Smt. Anita Kothari	
C. P. Kothari & Sons	
T. C. Kothari & Sons	

11) The details of disputed income tax, service tax, sales tax & Excise duty as on 31-03-10 are as follows.

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Demand Amount (Rs. in lacs.)	Period to which the amount relates
Central Sales Tax Act, 1956. and Sales Tax / VAT Act of various states	Sales Tax	Commissioner (Appeals) / Tribunal	147.49*	1984-85, 1985-86 1990-91 to 1991-92, 1993-94, 1994-95, 2005-2006 & 2006-2007.
	High court		24.10	1986-87 & 2003-2004
Central Excise Act, 1944	Excise Duty	Tribunal / Commissioner (Appeal)	179.35	1997-98, 2001 to 2009-10
Income Tax Act, 1961	Income Tax	ITAT	2.44**	1991-92, 96-97
		High Court	241.66 **	2005-2006 & 2006-2007
Service tax Rules	Service Tax	Commissioner (Appeals) / Tribunal	143.73	2003-2004 to 2005-2006
Wealth Tax Act	Wealth Tax	ITAT	1.13**	1991-1992

Note : 1) \* Against it, the company paid Rs. 46.76\* lacs and \*\*Rs. 245.15 lacs Amount as per demand orders including interest and penalty wherever mentioned in the order.

12. 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
13. Expenses and receipts relating to earlier year amounting to Rs. Nil and Rs. Nil respectively (previous year Rs. Nil and Rs. 44.66 lacs) debited/ credited to respective expenses and Income heads.



14. Details of investments in the units of various Mutual Funds/shares purchased & sold during the year are given below

(Rs. In lacs)

Scheme Name	No. Units O/B	No. of units of Purchased	No. of Unit sold	Purchase/Opening value	Sales Value
ABN Amro JM Basic fund growth plan	196036	-	-	12.93	
JM emerging Leaders fund	311964	-	-	50.00	0.00
DSPML black rock Tiger growth fund	232317	-	-	24.46	-
Reliance Vision growth plan	8560	-	-	11.03	-
Sunderam BNP Capex Growth	90546	-	-	10.61	-
Reliance Banking fund Growth plan	70902	-	-	26.04	-
Shiv Vani Oils Ltd.	31500	-	1011	145.60	4.85
SBI Megnum equity fund	-	150000	0	15.00	-

Note : No of units includes dividend unit.

15. The Company has recognized deferred taxes, which result from timing difference between the book profit and tax profit. The details of which are as under

Particulars	Balance as at 31.03.2009	Arising during the year	Balance as at 31.03.2010
<b>A. Deferred Tax Liabilities</b>			
Depreciation and amortization	36298063	18790286	55088349
<b>B. Deferred Tax Assets</b>			
1. Provision for leave with wages	414016	55775	469791
2. Provision for gratuity	1337126	437977	1775103
3. Disallownce U/s 43 (b) of I.T. Act., 1961	-	-	-
Total : (B)	1751142	493752	2244894
Net Deferred tax liabilities (A-B)	34546921	18296534	52843455

16. The Company has provided for liability of gratuity aggregating to Rs. 52.22 lacs (previous year Rs. 39.33 lacs) for employees who have qualified for it as per payment of Gratuity Act. The Company could not comply with the requirement of AS – 15 retirement benefit issued by ICAI as the valuation by a Certified acturian is under process in the Om Metals Infraprojects Ltd.

17. (a) The Company has taken office premises and directors residence on cancelable Operating Lease. The tenure of these agreements range between 3 to 5 Years.

The amount of lease rentals paid of Rs. 108 lacs (previous year Rs. 103.7 lacs) has been charged under the head “ Rent” in Schedule 16 after elimination.

(b) The Company has entered into separate cancelable Operating lease for Premises and Machinery. The tenure of these agreements range between Six months to three years.

The amount of lease rentals paid of Rs. 84.35 lacs (previous year Rs. 67.50 lacs) has been charged under the head “ Rent / Hire charges for Equipments” in Schedule 15 and “Rent” in Schedule 16 after elimination.

(c) The Company has Leased premises and Machinery on cancelable Operating Lease. The aggregate amount of lease rentals received amounting to Rs.19.84 lacs (previous year Rs. 22.20 Lacs) have been credited under the head “ Rent and hire charges” in Schedule 11 after elimination.

18. Difference in Balance brought forward from last year of P&L a/c of Rs. 307120.96 is due to change in Share holding of Om Metals Infraprojects Ltd. In Om Metals Auto Pvt. Ltd. From 74.5% last year to 91.83% current Year.

19. Figures for previous year have been re-arranged/regrouped wherever necessary to Make them comparable.

20. Figures pertaining to the subsidiaries, joint ventures and Associates companies have been reclassified wherever considered necessary to bring them in line with the company's financial statements.

21. Schedule I to 18 and the statement of additional information form an integral

Part of the Balance Sheet & Profit and Loss Account and have been duly authenticated.

As per our Report of even date annexed For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**  
Chartered Accountants

sd/-  
**S. K. Mahipal**

Partner

M.No. 70366

Place : Kota

Dated : 28.05.2010

sd/-  
**T. C. Kothari**  
Chairman

sd/-  
**Reena Jain**  
Company Secretary

sd/-  
**C. P. Kothari**  
Mg. Director

sd/-  
**S. K. Jain**  
CFO

sd/-  
**D. P. Kothari**  
Director



Transaction during the year with related parties (Excluding reimbursement)

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
<b>A. With Associates Promotor / Holding More than 20 % Equity</b>			
<b>1. Skywave Impex Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Advance Ag. Job work	89.49	0.00
	<b>Transactions</b>		
	Job work	75.00	181.95
	<b>Closing balance as on 31.03.10</b>		
	Advance Ag. Job work	65.10	89.49
<b>2. Lambodar Fin Vest Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Sundry Creditors		0.09
	Adv. For purchases of goods	223.53	66.25
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	13.81	
	Net movements in loans & Adv. Cr.	13.81	
	Adv.agst flats		157.28
	Advance refund	81.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Adv. For purchases of goods	142.53	223.53
<b>3. Om Kothari Pariwarik Trust</b>			
	<b>Opening balance as at 01.04.09</b>		
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	14.54	
	Net movements in loans & Adv. Cr.	14.54	
	Hire/Rent charges	2.14	2.14
	<b>Closing balance as on 31.03.10</b>		
<b>4. Om Kothari Foundation</b>			
	<b>Opening balance as at 01.04.09</b>		
	<b>Transactions</b>		
	Net movements in loans & Adv. Dr.	64.89	
	Net movements in loans & Adv. Cr.	64.89	26.02
	Donation	30.00	0
	Hire/Rent charges	0.96	0.96
	<b>Closing balance as on 31.03.10</b>		
		0	0.00
<b>5. Bahubali Housing Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Creditors	0.00	7.21
	Security Deposits	70.00	70.00
	<b>Transactions</b>		
	Loans and advances Cr.	0.00	6.20
	Loans and advances Dr.	0.00	0.20
	Rent Paid	16.80	4.80
	Security Deposite Dr.	0.00	70.00
	<b>Closing balance as on 31.03.10</b>		
	Security Deposit Dr.	70.00	70.00
	Creditors Cr.	0.00	0.00
<b>6. Little Star Finance Pvt. Ltd.</b>			
	<b>Opening balance as at 01.04.09</b>		
	Security Deposit	0	70.00
	Sundry Creditors	18.45	1.24

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
	<b>Transactions</b>		
	Loans and advances Dr.	0	12.79
	Loans and advances Cr.	0	30.00
	Rent Paid	16.8	4.80
	Security Deposit	0	70.00
	<b>Closing balance as on 31.03.10</b>		
	Loans and advances Cr.	8.46	18.45
<b>7. Benzer agencies Ltd.</b>	<b>Opening Balance as on 01.04.08</b>		
	Advance Dr.	0.00	1.57
	<b>Transaction</b>		
	Advance given	4.00	6.72
	Advance received	4.00	8.29
	<b>Closing balance as on 31.03.09</b>		
	Advance Dr.	0.00	0
<b>8. Jupiter Metals Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Loans and advances	7.42	0.00
	Investment in Equity Share	0	0.00
	Advance for purchases of FA	0	0.00
	<b>Transactions</b>		
	Job work	69.00	
	Net movements in loans Dr.	165.48	0.00
	Net movements in loans Cr.	2.87	
	Investment Sold	0	0.00
	Advance return	0	0.00
	<b>Closing balance as on 31.03.10</b>		
	Advance Dr.	170.03	0.00
<b>B. Associates Promoter holding more than 20% or under the same management</b>			
<b>1. Om Kothari Enterprises Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Creditors	9.11	0.00
	<b>Transactions</b>		
	Net movements in loans Dr.	90.62	0.00
	Net movements in loans Cr.	0.36	0.00
	Job work	50.00	60.45
	Sale of Investment		0.00
	<b>Closing balance as on 31.03.10</b>		
	Creditors	90.26	9.11
<b>2. Baba Vinimay Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	<b>Transactions</b>		
	Net movements in loans Dr.	0.29	0.00
	Net movements in loans Cr.	0.29	0.00
	<b>Closing balance as on 31.03.10</b>		
		0	0.00
<b>3. Nextmile Tradecom Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Loans and advances	41.65	0.00
	Investment in Equity Share	0	0.00
	Advance for purchases of FA	0	0.00



(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
	<b>Transactions</b>		
	Job work	75.00	
	Net movements in loans Dr.	45.09	0.00
	Net movements in loans Cr.	25.09	
	Investment Sold	0	0.00
	Advance return	0	0.00
	<b>Closing balance as on 31.03.10</b>		
	Advance Dr.	19.93	0.00
<b>4. Alchemy Ventures Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Creditors	0	0.00
	<b>Transactions</b>		
	Net movements in loans Dr.	23.96	0.00
	Net movements in loans Cr.	23.96	0.00
	<b>Closing balance as on 31.03.10</b>		
<b>5. Om Shivaya Real Estate Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Investment in equity shares	50.00	0.50
	Loans & Advances	1751.00	1801.00
	<b>Transactions</b>		
	Purchases of share	0.00	49.50
	Advance	0.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in equity shares	50.00	50.00
	Loans & Advances	1751.00	1751.00
<b>6. Om Metals Developers Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Investment in equity shares	0.25	0.25
	Loans & Advances	1840.29	750.28
	<b>Transactions</b>		
	Purchases of share	0.08	0.00
	Advance	31.00	1090.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in equity shares	0.33	0.25
	Loans & Advances	1871.29	1840.29
<b>7. Om Sensational Properties Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Investment in equity shares	0.13	0.13
	Loans & Advances	100.01	100.01
	<b>Transactions</b>		
	Purchases of share	-0.01	0.00
	Advance	0.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in equity shares	0.13	0.13
	Loans & Advances	100.00	100.01
<b>8. Sanmati Bulcon Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Investment in equity shares	1.60	1.60
	Loans & Advances	18.90	18.90
	<b>Transactions</b>		
	Purchases of share	0.00	0.00
	Advance	0.00	0.00

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
	<b>Closing balance as on 31.03.10</b>		
	Investment in equity shares	1.60	1.60
	Loans & Advances	18.90	18.90
<b>9. N. K. P. Holding Pvt. Ltd.</b>	<b>Opening balance as at 01.04.09</b>		
	Investment in equity shares	0.00	0.00
	Loans & Advances	0.00	0.00
	<b>Transactions</b>		
	Purchases of share	111.12	0.00
	Advance	250.00	0.00
	<b>Closing balance as on 31.03.10</b>		
	Investment in equity shares	111.12	0.00
	Loans & Advances	250.00	0.00
<b>C. Directors of the company</b>			
<b>1. Shri T. C. Kothari</b>	<b>Opening Balance as on 01.04.09</b>		0.00
	<b>Transaction</b>		
	Loans advance Dr.	19.02	4.68
	Loans advance Cr.	19.02	4.68
	Consult. & fees for board meeting	1.2	1.20
	Hire/rent charges	1.08	1.08
	<b>Closing balance as on 31.03.10</b>	0	0.00
<b>2. Shri C. P. Kothari</b>	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Net movements in loans Dr. & Cr.	26.60	9.58
	Hire charges / Rent paid	5.40	4.08
	Director Remuneration	48.00	39.25
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	10.00	10.00
<b>3. Shri D. P. Kothari</b>	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	7.50	7.5
	<b>Transaction</b>		
	Hire charges/Rent paid	19.20	18.60
	Director Remuneration	42.00	35.13
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	7.50	7.5
<b>4. Shri Sunil Kothari</b>	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	5.00	5
	<b>Transaction</b>		
	Net movements in loans Dr. & Cr.	0.00	10.20
	Salary and allowances	48.00	32.61
	Hire charges / Rent paid	1.08	1.08
	<b>Closing balance as on 31.03.10</b>		
	Security deposit outstanding	5.00	5.00
<b>D. Relatives of Directors</b>			
<b>1. Vikas Kothari</b>	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary and allowances	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00



(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
2. Shri Bharat Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
3. Shri Vivek Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
4. Shri Vishal Kothari	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	12.00	12.00
	<b>Closing balance as on 31.03.10</b>	0.00	0.00
5. Smt. C. Manjula Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Hire charges / Rent paid	2.88	2.88
6. Smt. D. Manjula Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	10.00	10.00
	<b>Transaction</b>		
	Hire charges/Rent paid	2.88	2.88
7. Seema Kothari	<b>Opening Balance as on 01.04.09</b>		
	Security deposit outstanding	5.00	5.00
	<b>Transaction</b>		
	Hire charges/Rent paid	1.80	1.80
8. Smt. Anita Kothari	<b>Opening Balance as on 01.04.08</b>		
	Security deposit outstanding	12.50	12.50
	<b>Transaction</b>		
	Hire charges/Rent paid	2.40	2.40
9. C. P. Kothari & Sons	<b>Opening Balance as on 01.04.09</b>		
	Loans & Advance Dr.	0.00	0.00
	<b>Transaction</b>		
	Net movements in loans Dr.	13.15	10.68
Net movements in loans Cr.	13.15	10.68	
	<b>Closing balance as on 31.03.10</b>		
Loans & Advance Dr.	0.00	0.00	

(Rs. in lacs)

Name of company	Nature of Transaction	2009-10	2008-09
10. T. C. Kothari & Sons	<b>Opening Balance as on 01.04.09</b>		
	Loans & Advance Dr.	0.00	0.00
	<b>Transaction</b>		
	Net movements in loans Dr.	0.00	96.62
	Net movements in loans Cr.	0.00	96.62
	<b>Closing balance as on 31.03.10</b>		
11. Shri Bahubali Kothari	Loans & Advance Dr.	0.00	0.00
	<b>Opening Balance as on 01.04.09</b>	0.70	1.83
	<b>Transaction</b>		
	Sale of Goods & Services	0.00	7.95
	Salary	9.00	9.00
	<b>Closing balance as on 31.03.10</b>	1.83	0.70
12. Smt. Sonali Tholia	<b>Opening Balance as on 01.04.09</b>	0.00	0.00
	<b>Transaction</b>		
	Salary	5.70	5.40
	<b>Closing balance as on 31.03.10 Dr.</b>	0.06	0.00



d) Information about business segments for the year 31.03.2010 :

(Rs. in lacs.)

Particulars	Engg. Div.		Multi plex		Hotel & Res. Div.		Real Estate		Sub.,JV's and Associates		Total	
	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
1) Segment Revenue :												
External sales / income (Net)	16602.76	7277.79	129.61	121.57	574.79	616.66	2357.19	2315.80	4171.04	4171.04	23835.39	14502.86
Other receipt	202.87	412.45	0.00	1.56	11.10	19.11	0.02	0.12	15.92	11.87	229.91	445.11
Interest Receipts	684.82	1021.45	0.00	0.00	0.00	0.00	0.00	0.00	7.05	7.75	691.87	1029.20
Inter segment sales / Other Recpt.	0.00	-159.14	0.00	0.00	0.00	-43.20	0.00	0.00	-186.04	-106.08	-186.04	-308.42
<b>Total Revenue</b>	<b>17490.45</b>	<b>8552.55</b>	<b>129.61</b>	<b>123.13</b>	<b>585.89</b>	<b>592.57</b>	<b>2357.21</b>	<b>2315.92</b>	<b>4007.97</b>	<b>4084.58</b>	<b>24571.13</b>	<b>15668.75</b>
2) Segment Results :												
Segments results	3597.38	2715.94	110.19	104.62	65.29	148.42	1090.30	1008.37	44.42	71.15	4907.58	4048.50
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
Operating profit before Int.	3597.38	2715.94	110.19	104.62	65.29	148.42	1090.30	1008.37	44.42	71.15	4907.58	4048.50
Financial exp.	710.68	1117.69	0.01	0.00	13.05	38.71	2.81	9.50	37.24	61.02	763.79	1226.92
Income tax current	700.00	340.00	0.00	0.00	0.00	0.00	0.00	0.00	11.90	4.63	711.90	344.63
Wealth Tax	0.82	6.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82	6.25
MAT Credit Entitlement	0.00	-14.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-14.46
F B T	0.00	15.10	0.00	0.00	0.00	1.27	0.00	0.45	0.00	2.72	0.00	19.54
Deferred tax assets/Lia.	184.43	-19.45	0.00	0.00	0.00	0.00	0.00	0.00	-1.46	9.26	182.97	-10.19
Inter segment Exp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit</b>	<b>2001.45</b>	<b>1270.81</b>	<b>110.18</b>	<b>104.62</b>	<b>52.24</b>	<b>108.44</b>	<b>1087.49</b>	<b>998.42</b>	<b>-3.26</b>	<b>-6.48</b>	<b>3248.10</b>	<b>2475.81</b>
3 i) Other Information :												
Segment Assets	31643.87	34953.42	393.51	358.92	3301.66	3318.55	3834.19	3054.46	2953.49	3521.57	42126.72	45206.92
Inter Branch/Segment	15154.00	13321.82	534.17	452.71	-1659.02	-1579.92	-1148.17	-609.55	0.00	0.00	12880.98	11585.06
Unallocated assets												
<b>Total Assets</b>	<b>46797.87</b>	<b>48275.24</b>	<b>927.68</b>	<b>811.63</b>	<b>1642.64</b>	<b>1738.63</b>	<b>2686.02</b>	<b>2444.91</b>	<b>2953.49</b>	<b>3521.57</b>	<b>55007.70</b>	<b>56791.98</b>
Segmets Liabilities :												
Share Capital	963.04	963.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	963.04	963.04
Reserve & Surplus	32098.20	30331.27	822.41	712.24	1483.19	1430.95	2483.63	1396.14	227.16	55.03	37114.59	33925.63
Secured & Unsecured Loan	4531.96	8787.05	0.00	0.00	65.43	241.93	0.00	830.00	796.82	948.61	5394.21	10807.59
Segment liabilities	8673.09	7846.73	105.27	99.39	94.02	65.75	202.39	218.77	10195.51	10432.95	19270.28	18663.59
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	531.58	347.15	0.00	0.00	0.00	0.00	0.00	0.00	-3.15	-1.69	528.43	345.46
Other Liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.74	6.99	5.74	6.99
Inter Branch/Segment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8268.59	-7920.32	-8268.59	-7920.32
<b>Total Liabilities</b>	<b>46797.87</b>	<b>48275.24</b>	<b>927.68</b>	<b>811.63</b>	<b>1642.64</b>	<b>1738.63</b>	<b>2686.02</b>	<b>2444.91</b>	<b>2953.49</b>	<b>3521.57</b>	<b>55007.70</b>	<b>56791.98</b>
iii) Capital Expenditure	936.66	898.66	1.07	0.00	7.07	10.93	0.70	9.89	80.74	354.47	1026.24	1273.95
Depreciation	565.46	392.65	16.28	16.43	72.55	72.13	1.75	1.61	84.93	75.60	740.97	558.42
Amortisation	114.35	114.35	0.00	0.00	0.00	0.00	0.00	0.00	14.56	6.28	128.91	120.63
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

# Cash Flow Statement for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>I Cash Flow from operation Activities</b>		
A Net Profit before Taxation and Extraordinary Item	414378505.64	282158479.52
<b>Add:-</b>		
Depreciation	74096809.90	55437934.39
Interest and Bank Commission Paid	76379480.58	122692358.40
Loss on sale of Fixed Assets	0.00	115812.88
Loss on sale of Investment	197839.95	12145179.96
Public Issue Exp. Written off	12890526.00	12062531.00
	<b>577943162.07</b>	<b>484612296.15</b>
<b>Less:-</b>		
Interest & Dividend Receipt	70441377.62	102919916.52
Profit on Sale of Fixed Assets	0.00	0.00
	<b>70441377.62</b>	<b>102919916.52</b>
<b>B Operating Profit before working capital changes</b>	507501784.45	381692379.63
<b>Adjustments for :</b>		
Trade and other receivable	-361856522.79	-196323951.59
Inventories	215418061.54	-333656771.00
Loans & Advance	-170187692.49	-35186838.30
Trade & Other Payable	-42383760.66	185275849.89
Provision for Gratuity & Leave Encashment	1479351.50	1652001.50
	<b>149971221.56</b>	<b>3452670.13</b>
<b>Less:-</b>		
Direct Taxes Paid	102311344.45	-41844273.37
Net cash flow from operating activities	<b>(A) 47659877.11</b>	<b>45296943.50</b>
<b>Cash flow from investing activities :</b>		
Purchase of fixed assets	-102623402.37	-127395411.58
Sale of Fixed Assets	6323002.07	24960572.74
Increase in Capital, WIP and Advances	-3954976.50	23206202.55
Investments	-45138366.70	149811874.08
Interest & Dividend received	70441377.62	102919916.52
Purchase of Goodwill	-17350762.19	0.00
Net cash flow from/used in investing activities	<b>(B) -92303128.07</b>	<b>173503154.31</b>
<b>Cash Flow from financing activities :</b>		
Interest and Bank Commission paid	-76379480.58	-122557148.12
Change in Minority Interest	-125075.65	0.00
Share premium	18000000.00	0.00
Secured Loan as Term Loan	-295711103.77	110882848.33
Secured Loan as Work Cap.	-244813033.36	206518779.89
Unsecured Loan	-814051.10	-9053960.25
Dividend / Dividend Tax Paid	-24171293.00	-20897445.00
Expenses on Issue on Shares & Other Misc. Exp.	-981150.52	-83666.00
Net cash used in financing activities	<b>(C) -624995187.98</b>	<b>164809408.85</b>



# Cash Flow Statement

 for the year ended March 31, 2010

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
<b>Increase/(Decrease) in cash and cash equivalents</b>		
A. Cash Flow from Operating Activities	47659877.11	45296943.50
B. Cash Flow from Investing Activities	-92303128.07	173503154.31
C. Cash Flow from Financing Activities	-624995187.98	164809408.85
Net Increase / Decrease in Cash Flow During Year	-669638438.94	383609506.66
Cash and cash equivalents at beginning of year	1437300264.72	1053690758.06
Cash and cash equivalents at end of the year	<b>767661825.78</b>	<b>1437300264.72</b>

The schedule referred to above and the notes on Accounts form an integral part of the Cash flow Statement

As per our Report of even date annexed

For and on behalf of Board of Directors

For **M. C. Bhandari & Co.**  
Chartered Accountants

sd/-  
**S. K. Mahipal**  
Partner  
M.No. 70366

Place : Kota  
Dated : 28.05.2010

sd/-  
**T. C. Kothari**  
Chairman

sd/-  
**Reena Jain**  
Company Secretary

sd/-  
**C. P. Kothari**  
Mg. Director

sd/-  
**S. K. Jain**  
CFO

sd/-  
**D. P. Kothari**  
Director

# Statement Regarding Subsidiary Companies Pursuant to Section 212 of the Companies Act, 1956 as at March 31, 2010

Name of Subsidiary Company	Om Metals Auto Pvt. Ltd		Om Metals Real Rstate Pvt. Ltd.		Om Metals & Malls Pvt. Ltd		Om Automotors Pvt. Ltd		OmL+JSC Ukrain (JV) Kameng		Om Ray
	75.50%	100%	100%	100%	100%	100%	100%	100%	60%	99.50%	
1. Share Capital	30.00	1.00	1.00	1.00	1266.27	64.82					
2. Reserves & Surplus	265.52	4.60	0.00	0.00	0.00	0.00					
3. Total Assets	684.81	7810.00	0.84	0.84	3920.76	64.82					
4. Total Liabilities	392.72	7804.03	0.03	0.03	28.69	0.00					
5. Investments (included in Total Assets)	0.00	4207.50	0.00	0.00	0.00	0.00					
6. Total Income	4875.41	38.93	0.00	0.00	2159.17	1.31					
7. Profit/(loss) before Tax	30.67	3.14	-0.03	-0.03	88.76	-3.11					
8. Provision for Income Tax	9.53	0.89	0.00	0.00	0.00	0.00					
9. Profit/(loss) after Tax	21.14	2.25	-0.03	-0.03	88.76	-3.11					



## Notice

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of the members of the Company of Om Metals Infraprojects Limited will be held on 30<sup>th</sup> September, 2010 At 11.00 a.m. at Om Towers, Church Road, M.I.Road, Jaipur-302001 to transact the following business :

1. To receive consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended as on 31<sup>st</sup> March 2010 together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place Shri P. C. Jain, who retires from office by rotation and being eligible, offers him for re-election.
3. 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 on 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 Director exclusive of travelling and other out of pocket expenses.”

**“RESOLVED THAT,** M/s Milind Vijiyvargiya & Associates, Chartered Accountants, M/s B. Khosla & Co., Chartered Accountants be and 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 Director exclusive of travelling and other out of pocket expenses.”

4. To confirm payment of Interim dividend of Rs. 0.20 per share as final dividend.

### SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions as an Ordinary Resolution

5. Approval to sell, lease or otherwise dispose of the property at Jaipur

**“RESOLVED THAT,** subject to such consents, approval and permissions to be obtained from appropriate authorities as and to the extent those be necessary, consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) of the Companies Act, 1956 to sell, lease or otherwise dispose of the Company’s property known as Hotel Om Tower, situated at Church Road, M.I. Road, Jaipur (Raj), for such consideration, and on such terms and conditions, as the Board of Directors of the Company may deem fit.”

**“RESOLVED FURTHER THAT,** Board of Directors of the Company (which shall include any Committee of Directors if to be constituted; or any Director of the Company to be authorized for the purpose by the Board) be and are hereby authorized to take such steps on behalf of the Company as may be necessary; to sign and execute all deeds, documents and writings to give effect to and complete the transaction of sale, lease or disposal as the case may be in relation to the above property; and generally to do all such acts, deeds matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

6. Approval to sell, lease or otherwise dispose of the property at Jaipur

**“RESOLVED THAT,** subject to such consents, approval and permissions to be obtained from appropriate authorities as and to the extent those be necessary, consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) of the Companies Act, 1956 to sell, lease or otherwise dispose of the Company’s property situated at F-99(A), Road No. 7, VKI Area, Jaipur(Raj), for such consideration, and on such terms and conditions, as the Board of Directors of the Company may deem fit.”

**“RESOLVED FURTHER THAT,** Board of Directors of the Company (which shall include any Committee of Directors if to be constituted; or any Director of the Company to be authorized for the purpose by the Board) be and are hereby authorized to take such steps on behalf of the Company as may be necessary; to sign and execute all deeds, documents and writings to give effect to and complete the transaction of sale, lease or disposal as the case may be in relation to the above property ; and generally to do all such acts, deeds matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

7. Approval to sell, lease or otherwise dispose of the property at Kota

**“RESOLVED THAT,** subject to such consents, approval and permissions to be obtained from appropriate authorities as and to the extent those be necessary, consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) of the Companies Act, 1956 to sell, lease or otherwise dispose of the Company’s property known as Om Cineplex, situated at Plot No. SPL I I, Indra Vihar Colony, Kota (Raj), for such consideration, and on such terms and conditions, as the Board of Directors of the Company may deem fit.”

**“RESOLVED FURTHER THAT,** Board of Directors of the Company (which shall include any Committee of Directors if to be constituted; or any Director of the Company to be authorized for the purpose by the Board) be and are hereby authorized to take such steps on behalf of the Company as may be necessary;

to sign and execute all deeds, documents and writings to give effect to and complete the transaction of sale, lease or disposal as the case may be in relation to the above property; and generally to do all such acts, deeds matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

**8. Approval to sell, lease or otherwise dispose of the landed property at Kota**

“**RESOLVED THAT**, subject to such consents, approval and permissions to be obtained from appropriate authorities as and to the extent those be necessary, consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) of the Companies Act, 1956 to sell, lease or otherwise dispose of the Company’s landed property situated at Plot No. Special - I & I(A) IPI Area, Kota (Raj), for such consideration, and on such terms and conditions, as the Board of Directors of the Company may deem fit.”

“**RESOLVED FURTHER THAT** Board of Directors of the Company (which shall include any Committee of Directors if to be constituted; or any Director of the Company to be authorized for the purpose by the Board) be and are hereby authorized to take such steps on behalf of the Company as may be necessary; to sign and execute all deeds, documents and writings to give effect to and complete the transaction of sale, lease or disposal as the case may be in relation to the above property; and generally to do all such acts, deeds matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

**To consider and, if thought fit, to pass with or without modification, the following resolution as special resolutions :**

**9. Appointment on office or place of profit**

“**RESOLVED THAT**, pursuant to the provisions of Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government, consent of the Company be and hereby accorded to appoint Mrs. Monica Bakliwal, a relative of Shri C.P. Kothari, the director of the Company to hold an office or place of profit as Chief Operating Officer-Hotel Division of the Company in the management cadre of the Company with effect from 1<sup>st</sup> April, 2010 at remuneration as detailed hereunder :

- a) **Basic Salary** : Rs. 55000 p.m.
- b) Other usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits”

“**FURTHER RESOLVED THAT**, the Boards of directors be and hereby authorized to grant from time to time to Mrs. Monica Bakliwal, such increment or increments as the Directors may, in

their discretion think fit but so that his consolidated salary and perks shall not exceed Rs. 1,00,000 p.m.,”

By order of the Board

Sd/-

Place: Jaipur

Dated: 28.05.2010

Chairman

**NOTES FOR MEMBERS ATTENTIONS :**

- 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 (2) of the Companies Act, 1956 relating to the Special Business is annexed.
- 3) Relevant details in respect of item no. 2 pursuant to Clause 49 of the Listing Agreement, is annexed hereto.
- 4) Members / Proxies should bring the Attendance Slip, duly filed in, for attending the Meeting.
- 5) Shareholders are requested to bring their copy of Annual Report to the meeting.
- 6) 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.
- 7) 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 form, are requested to write their Folio no. in Attendance Slip for attending the Meeting.
- 8) All the 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 a.m. to 1 p.m. prior to date of Annual General Meeting.
- 9) Corporate members intending to send their authorized representative to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
- 10) 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 Registrar and Share Transfer Agents at the address mentioned below for nomination form quoting their Folio Number.



- 11) 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.
- 12) All members who have either not received or have not yet encashed their dividend warrant(s) till financial year 2009-10 are requested to write to the Company for obtaining the duplicate dividend warrant without any delay.
- 13) 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 Participant, if the shares are held in electronic form.

- 14) Register of Members and share transfer books of the Company will remain closed from 27.09.2010 to 30.09.2010.

**REGISTRAR & SHARE TRANSFER AGENTS :**

M/s Skyline Financial Services Pvt.Ltd.  
246, Sant Nagar, East of Kailash, 1st Floor  
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. 5

#### Approval to sell, lease or otherwise dispose of the property at Jaipur

The Company is owning and having in its absolute possession the valuable property know as Hotel 'Om Tower' situated at Church Road, M.I.Road, Jaipur (Rajasthan). The said property is Freehold and Commercial. It is under 2nd charge with IDBI Bank and is part of the assets of the Corporate Establishments unit of the Company. In the opinion of the Board of Directors, the Company does not necessarily require to hold this property for continuing in its present business. The Board of Directors has examined the opinion of entering into the business of Hotel Chain on the strength of this. It is however, viewed that the Company itself does not have any strong in house setup, the infrastructure, the right links in the hotelier market and the requisite background and experience as to the basics of the said business; or any prior experience of the involved dynamics related there to. The management agreement with Best Western Chain earlier also did not bring fruitful gain. Therefore using this valuable property at the prime location, as the upfront resource input in a hotel line of business may not be a prudent proposition to continue with the Hotel business nor does it look prima facie advisable and commercially gainful to take risk of a Joint Venture with another hotelier in the said business at Jaipur. The international hotel chain tie up also can not work in this 60 room hotel. It may be noted that with the process of integration of Indian Economy with the world order on way and the hotel industry already getting saturated in Jaipur, the Board as such is of the opinion that unlike in the past, holding on to this little used and virtually non-yielding subject property any longer without a definite future business plan about it, may not be an advisable course.

The Board therefore considers it commercially more expedient and desirable to make an outright disposal of the property, enabling the Company to accrue substantial liquid resources net of taxes and to look for other gainful applications thereto with a moderate and affordable business risk.

The Board is advised that since the asset being considered for disposal, may not in itself constitute the whole or substantially the whole of the undertaking or one of the undertakings of the Company, in view of the matter, the provisions of Section 293 (1) (a) of the Companies Act, 1956 may not apply. However, in view of the fact that the asset is of substantial value, the Board of Directors have decided to seek approval of the shareholders in this behalf as a measure of abundant caution.

The Board as such commends the Resolution to the members for their approval.

The Directors of the Company be deemed to be concerned with or interested in the resolution to the extent of share held by them in the Company.

### ITEM 6

#### Approval to sell, lease or otherwise dispose of the property at Jaipur

The Company is owning and having in its absolute possession the valuable property at F-99(A), Road No. 7, VKI Area, Jaipur (Rajasthan) situated on the plot of land admeasuring 3627.52 sq.mtrs. The said landed property, acquired in 2004, is leasehold and commercial. It is under first charge with State bank of Bikaner and Jaipur for their term loan and is part of the assets of the Corporate Establishments unit of the Company. In the opinion of the Board of Directors, the Company does not necessarily require to hold this property for running the auto dealership business and can be sold to either the company running the Toyota dealership business or to any prospective buyer.

The Board therefore considers it commercially more expedient and desirable to make an outright disposal of the property, enabling the Company to accrue substantial liquid resources net of taxes and to look for other gainful applications thereto with a moderate and affordable business risk.

The Board is advised that since the asset being considered for disposal, may not in itself constitute the whole or substantially the whole of the undertaking or one of the undertakings of the Company, in view of the matter, the provisions of Section 293(1)(a) of the Companies Act, 1956 may not apply. However, in view of the fact that the asset is of substantial value, the Board of Directors have decided to seek approval of the shareholders in this behalf as a measure of abundant caution.

The Board as such commends the Resolution to the members for their approval.

The Directors of the Company be deemed to be concerned with or interested in the resolution to the extent of share held by them in the Company.

### ITEM 7

#### Approval to sell, lease or otherwise dispose of the property at Kota

The Company is owning and having in its absolute possession the valuable property Know as 'Om Cineplex' at Plot No. SPL I I, Indra Vihar Colony, Kota (Rajasthan) situated on the plot of land admeasuring 3000 sq. mtrs. The said property, acquired in 2001, is leasehold and Commercial. It is under First charge with SBBJ and second charge with consortium of Banks and is part of the assets of the Corporate Establishments unit of the Company. In the opinion of the Board of Directors, the Company does not necessarily require to hold this property for continuing in its present business. The Board of Directors has examined the opinion of entering into the business of Multiplexes chain on the strength of this. It is however, viewed that the multiplex properties is not giving expected yields and only large players can survive in this industry. With the entertainment tax exemption getting over the financial basics for running the business in this property is not looking



much viable. The management agreement with Inox leisure who are currently operating on this property can also be transferred to the prospective buyer. Therefore using this valuable property at the prime location, as the upfront resource input in a multiplex line of business may not be a prudent proposition to continue with the business.

The Board therefore considers it commercially more expedient and desirable to make an outright disposal of the property, enabling the Company to accrue substantial liquid resources net of taxes and to look for other gainful applications thereto with a moderate and affordable business risk.

The Board is advised that since the asset being considered for disposal, may not in itself constitute the whole or substantially the whole of the undertaking or one of the undertakings of the Company, in view of the matter, the provisions of Section 293 (1) (a) of the Companies Act, 1956 may not apply. However, in view of the fact that the asset is of substantial value, the Board of Directors have decided to seek approval of the shareholders in this behalf as a measure of abundant caution.

**ITEM 8**

**Approval to sell, lease or otherwise dispose of the landed property at Kota**

The Company is owning and having in its absolute possession the valuable land at Plot No.Special -I & I (A) IPI Area, Kota (Rajasthan) admeasuring 19888 sqr. mtrs. The said land acquired in 2006, is leasehold and Commercial. It is free from any encumbrance and is part of the assets of the Corporate Establishments unit of the Company. In the opinion of the Board of Directors, the Company does not necessarily require to hold this property for continuing in its present business. The Board of Directors has examined the opinion of establishing a commercial tower here. It is however, viewed that the commercial tower on this valued land post construction is not giving expected yields and all negotiations with anchor brands for large retail outlets failed and the non viability was a major concern to all of them. Therefore using this valuable property at the prime location, as the upfront resource input commercial tower may not be a prudent proposition to continue with the business.

The Board therefore considers it commercially more expedient and desirable to make an outright disposal of the property, enabling the Company to accrue substantial liquid resources net of taxes and to look for other gainful applications thereto with a moderate and affordable business risk.

The Board is advised that since the asset being considered for disposal, may not in itself constitute the whole or substantially the whole of the undertaking or one of the undertakings of the Company, in view of the matter, the provisions of Section 293 (1) (a) of the Companies Act, 1956 may not apply. However, in view of the fact that the asset is of substantial value, the Board of Directors have decided to seek approval of the shareholders in this behalf as a measure of abundant caution.

The Board as such commends the Resolution to the members for their approval.

The Directors of the Company be deemed to be concerned with or interested in the resolution to the extent of share held by them in the Company.

**ITEM 9**

**Appointment on office or place of profit**

Mrs. Monica Bakliwal, a relative of directors of the Company, is qualified person and have enough Experiences with the Company. The Board of Directors hopes that the Company will be greatly benefited by her services and will be valuable for the Company’s proper day to day operations and smooth running of the business. Smt. Monica Bakliwal not only qualified but also expertise in the field of business in which your Company is presently engaged and that will not only add to the enhancement of the business opportunities of your Company but will also enhance the profits of your Company.

None of the directors except Sh. C.P. Kothari may be considered to be interested in the Special Resolution mentioned in item No. 8.

**ANNEXURE II**

Details of Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting to be held on 30<sup>th</sup> September 2010:

Name	P. C. JAIN
Date of Birth	10.10.1946
Appointed on	15.07.2001
Qualifications	B. E.
Expertise in specific functional area	Technical & Engineering
Directorships held in other public Companies	Nil
Membership / Chairmanships of committees across public Companies	Audit Committee Shareholders/ Investors Grievance Committee
Shareholding in the Company	Nil

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

By order of the Board

Sd/-

Place: Jaipur  
Dated: 28.05.2010

Chairman

**Regd. Office :** Om Towers, Church Road  
M.I. Road, Jaipur-302001  
Rajasthan

#### **Forward Looking Statement**

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

