



values

growth

possibilities

trust

opportunities

performance

**OMAXE LTD.
ANNUAL REPORT
2006-2007**



Our Vision

- Create a progressive organisation matching International Standards maintaining Integrity, high ethical standards and transparency
- Create an environment of professionalism, competence, teamwork, and service excellence
- Deliver projects conforming to international Environmental Impact Assessment (EIA) Norms
- Use modern cost effective techniques for quality construction resulting in wealth creation



Our Mission

- Commitments towards quality, integrity and the creation of value for all stakeholders / customers
- Implement Best Business Practices which exceed customer expectations. Establish industry standards and benchmarks
- Deliver quality Residential & Commercial projects comparable with Global Developers
- Lead the industry using high caliber and efficient team of people with advanced technology
- An organization in pursuit of excellence in professionalism and innovation

Chairman's Message



Dear friends,

Genesis of Greatness lies in pursuit of vision and commitment to hard work and human values.

Omaxe Ltd. has moved through monumental stages from its inception, growth, and expansion to deliver quality Real Estate projects. The Company is expanding into newer horizons with a missionary zeal and a dynamic team. Today, Omaxe has managed to be one of the major players in the Real Estate industry of India. The core of this success lies in our winning corporate culture; that promotes growth with innovation; besides a customer focused strategy that is guided by quality, creative solutions, timely delivery and a never ending search for innovative ways to provide satisfaction to our valued customers.

We have faced many challenges in our journey to excellence and we have always come up with competence to surpass them. All over the world businesses are now compelled to bring in more and more creative approach to meet and exceed the expectations of the demanding customers. India is witnessing major development activities in many sectors and real estate sector, being one of them. We at Omaxe are aware of the challenges and are prepared to partner in this development.

I salute our investors for their support and the trust reposed in us. We celebrate our team, who always manages to exceed all expectations. We honour our commitment to deliver quality real estate and continue to achieve higher levels of excellence for creating value for all stakeholders.

Sincerely, *Rohtas Goel*

Rohtas Goel

Contents

Notice	01
Explanatory Statement to Notice	04
Directors' Report	07
Certification on Corporate Governance	14
Management Discussion & Analysis Report	15
Report of Corporate Governance	17
Auditors' Report	29
Balance Sheet	32
Profit and Loss Account*	33
Schedules to the Balance Sheet	34
Cash Flow Statement	61
Balance Sheet Abstract and Company's General Business Profile	62
Consolidated Financial Statements	
Auditors' Report	63
Consolidated Balance Sheet	64
Consolidated Profit and Loss Account	65
Schedules to the Consolidated Balance Sheet	66
Consolidated Cash Flow Statement	91
Disclosure pursuant to Section 212 (8) of the Companies Act regarding information of subsidiaries	92



Board of Directors

Mr. Rohtas Goel	Chairman and Managing Director
Mr. Sunil Goel	Joint Managing Director
Mr. Jal Bhagwan Goel	Whole time Director
Mr. Balmiki Prasad Singh	Director (Independent)
Mr. Devi Dayal	Director (Independent)
Mr. Padmanabh Pundrikay Vora	Director (Independent)
Lt. Gen. (Retd.) Bhopinder Singh	Director (Independent)
Mr. P. K. Gupta	Director (Independent)
Mr. Arvind Parakh	Whole time Director, CEO - Corporate Strategy and Finance
Mr. Vipin Aggarwal	Executive Director
Mr. Venkat Rao	Company Secretary & Senior General Manager (Finance)

Auditors

RSM & Co	Chartered Accountants
Doogar & Associates	Chartered Accountants
Registrar & Share Transfer Agent	Intime Spectrum Registry Limited (Unit : Omaxe Ltd.) A-40, Naraina Industrial Area , Phase II, Near Batra Banquet Hall, New Delhi - 110 0028

Bankers

State Bank of India	Punjab National Bank
Indian Overseas Bank	Yes Bank
Axis Bank Limited	The Jammu & Kashmir Bank Ltd.
Indian Bank	Karur Vysya Bank
Allahabad Bank	State Bank of Patiala
Syndicate Bank	HongKong and Shanghai Banking Corporation
Bank of Maharashtra	Vijaya Bank
State Bank of Bikaner & Jaipur	

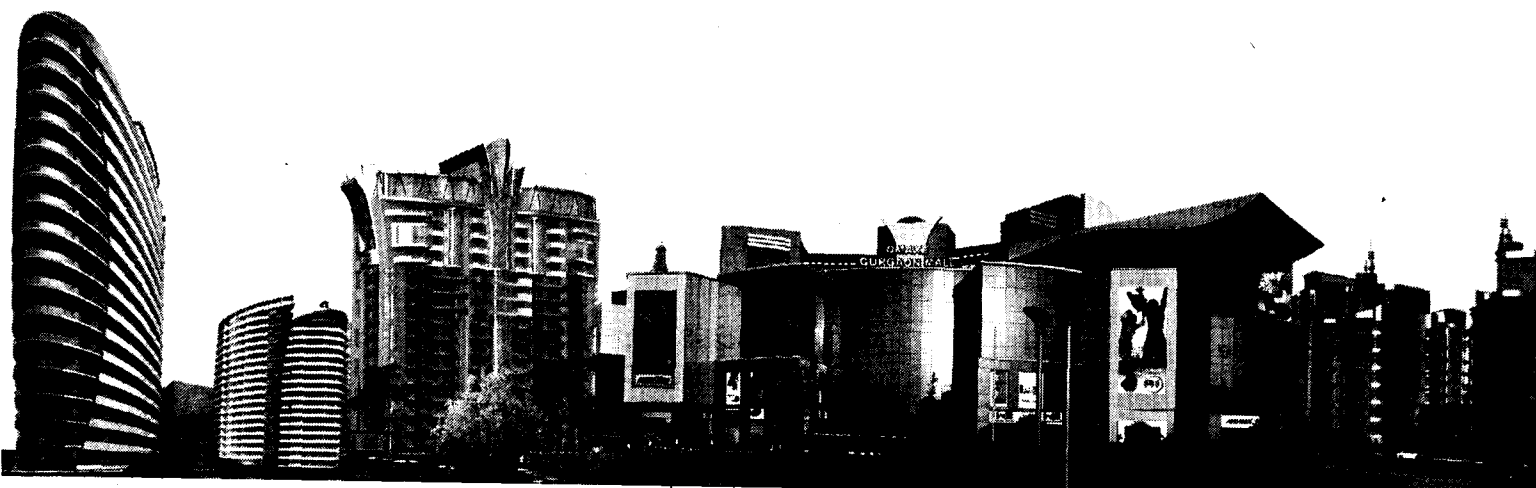
Registered Office

7, Local Shopping Centre,
Kalkaji, New Delhi - 110019



Omaxe Ltd. Milestones

- 2001: Extended from civil construction and contracting to real estate solutions.
- 2001: One of the First construction company in North India to receive the prestigious ISO 9001:2000.
- 2002: One of the first real estate development company to introduce the concept of a 'sample apartment' for prospective buyers.
- 2002: One of the first real estate company in North India to protect buyers' interests through a penalty clause for delayed delivery.
- 2003: Embarked upon the development of NRI City (Greater Noida), the first integrated township to cater to the global lifestyle needs of Non-Resident Indians.
- 2004: Launched India's first theme mall, a one-stop wedding mall in Gurgaon followed by similar ones in Agra and Patiala.
- 2004: Launched 'The Forest', among the first luxury apartments in Noida.
- 2005: Embarked upon 'Omaxe City' in Lucknow, the first of similar townships across several Indian cities.
- 2006: Embarked on the landmark 'Omaxe Connaught Place' project to recreate the magic of Lutyen's Connaught Place in Greater Noida.





The Opportunity - Time for growth

The Real Estate industry, has today assumed a significant position in the growth of Indian economy. It is gratifying to note that the real estate industry despite of various myths, is gradually heading towards consolidation, where price, competence, quality and delivery will be the ultimate benchmarks.

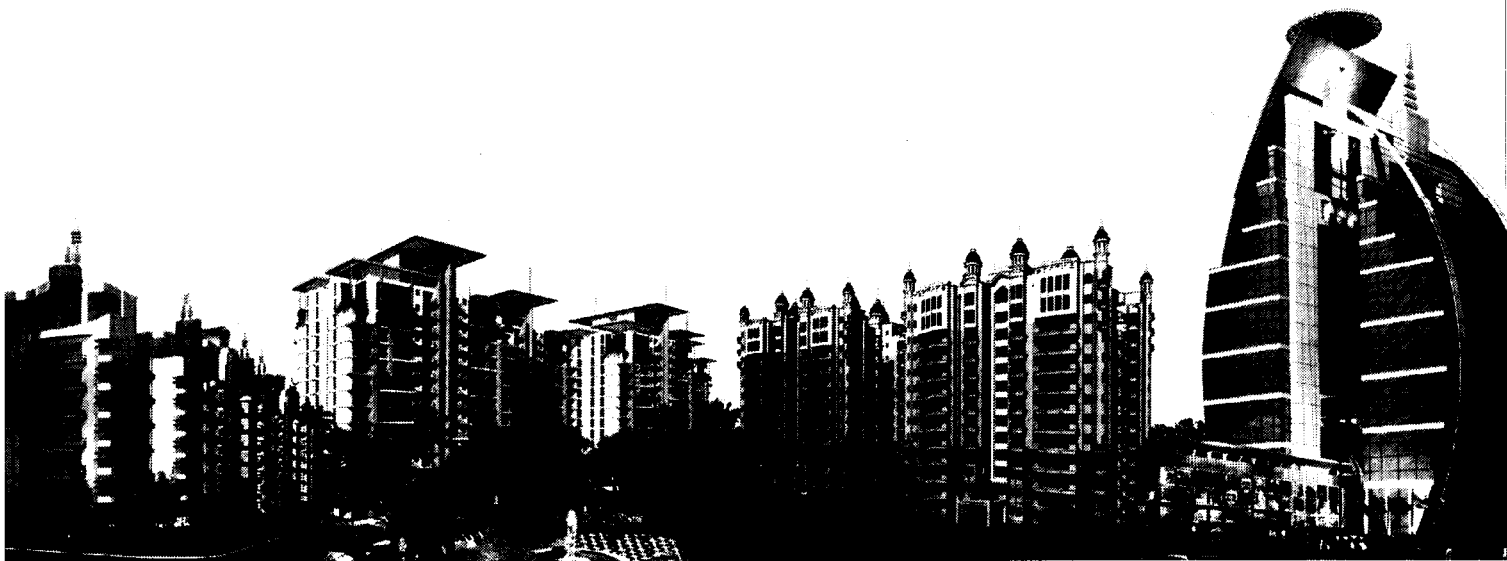
India is now the second fastest growing major economy in the world with a GDP growth rate of 9.4% for fiscal year 2006-2007. The impact of growth could be assessed by the fact that if the economy grows at this rate the real estate sector has the potential to grow @ 14% generating 3.2 million jobs over the next 10 years. The large young educated population fluent in English, is gradually transforming India as an important 'back office' destination for global companies for outsourcing of their customer services and technical support.

For an industry where foreign investments were devoid till early 2005, has achieved remarkable progress in recent times. The demand for residential and commercial spaces has grown by leaps and bounds. Thanks to the liberalization policies of the government and the Foreign Direct Investments which has shown a robust growth in recent times.

The infrastructure support by government for tier II and tier III cities, easy availability of home loans and the inflow of organized capital have been helpful in achieving the current growth and are likely to foster further growth in the Real Estate sector in India. The real estate industry has not only helped in realizing the common man's dream to have the best house possible, but also empowered him with the best possible investment options as well.

The Real Estate sector is witnessing major transformation and the process can be categorized into three significant reasons, though different but inter linked. First the requirement of office spaces, second the need for quality homes and the growth in the retail sector.

Looking at the residential sector which accounts for nearly 80% of the market size, the gap between demand and supply is estimated to be 4100 million sq. ft. The population in India, is likely to cross 1.3 billion mark by 2020 and the demand for dwelling units is expected to grow to 90 million by 2020.





IT and ITES are one of the major growth drivers and as per estimates IT sector would alone require 66 million sq. ft. of commercial space in next five years. And lastly the scale of transformation in the retail sector has been most dramatic. Today, India ranks 5th in the category of 30 emerging markets across the globe. Where there were only 2 malls in 1999 the figure has crossed 100 with 25 million sq ft. of space and still growing. This sector has registered a three year compound growth rate of 46.4% according to the study report by India Brand Equity Foundation.

At Omaxe, we believe that these numbers are indeed sustainable due to the vast consumption, under-penetration, rising incomes and a migration towards better living standards.

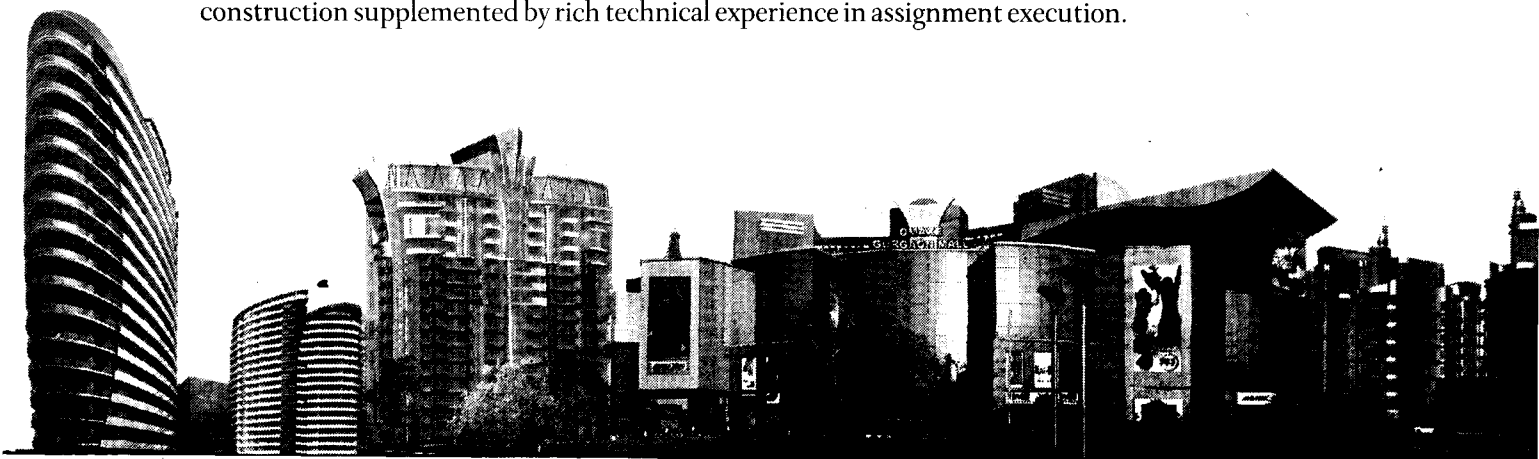
The Challenge - Building a Better Tomorrow

Omaxe has redefined its objective in this challenging environment: from selling space to creating distinctive real estate products; from merely catering to an existing market to creating a demand for distinctive projects; from driving sales through conventional and innovative methods of marketing. At Omaxe, we are attractively positioned to take our business ahead.

We believe in our ability to identify emerging trends and developing projects to suit varied customer needs. Our marketing and sales team is our interface with our customers. We have a strong network of 800 business associates. One of our key strengths is to identify suitable tracts of land for developing our projects. An in-house team of over 50 people are devoted to gather relevant data and evaluate each deal.

Our goal is to build our residential real estate business across India by developing group housing projects for the mid and higher income groups in key locations. As part of our growth strategy, we also want to take advantage of the increasing urbanisation by investing in the development of integrated townships on the peripheries of cities around the country where ever we see the opportunities.

- **Brand:** We enjoy a track record of having marketed over 22,000 residential and commercial property units.
- **Rich land bank:** We recognise that an extensive land reserve represents the springboard of prospective growth. We possess nearly 3,255 acres of land reserve as on March 31, 2007.
- **Experience:** We possess a rich 18-year experience across 120 completed projects in civil contracting and construction supplemented by rich technical experience in assignment execution.





- **Team:** We partner with renowned associates like Hafeez Contractor, SEP Consultants (Singapore) and Studio KIA (USA), OIA (Australia) among several others, to bring rich complement of value to our buyers.
- **Confidence:** We deliver high quality construction projects on time. We were one of the first construction companies in north India to be certified for the ISO 9001:2000; we pioneered the concept of a 24x7 customer helpline called Omaxe Care in the real estate industry.
- **Presence:** We have diversified our presence (projects and land reserves) across 30 Indian cities of nine states.
- **Portfolio:** Our portfolio of 52 ongoing projects comprises of 21 group housing projects, 16 integrated townships, 14 shopping malls and commercial complexes as well as one hotel representing 150 million sq. Ft. of saleable area. (38 projects are under development covering 100 million sq.ft of saleable area, while 14 projects are at various stages of approval.)
- **People:** We possess rich intellectual capital, reflected by our human resources comprising of MBAs, civil engineers, architects and chartered accountants, company secretaries; we manage our human resource through a spirit of continuous learning, trust, relationships, opportunities and empowerment.
- **Innovation:** We are one of the few real estate developers to differentiate our offerings by pioneering the following:
 - **Wedding malls:** Positioned as a one-stop-shop for all wedding-centric requirements (under construction).
 - **House-2-home:** To comprise shops marketing home interiors, furniture and other residential accessories (under construction).
 - **Thematic residential lifestyle:** Nile (Gurgaon) incorporating Egyptian architectural designs (under construction).

'NRI City' at Greater Noida is a milestone achievement in developing integrated townships for an exclusive class.

The outlook for the real estate industry is robust. The optimism prevails, industry will remain stable due to demand and supply gap and according to experts the real estate industry will see years of sustainable growth in India's economy.





CONSOLIDATED FINANCIAL HIGHLIGHTS

(Rupees in million)

Consolidated Profit & Loss Account	FY06	FY07
Income		
Income from operations	8251	14313
Other Income	53	86
Total Income	8304	14399
Expenditure		
Operating cost	6137	10110
Employee cost	103	214
Administration cost	308	408
Selling cost	90	104
PBDITA	1666	3563
Depreciation	23	36
Finance cost	36	298
PBT	1607	3229
Tax	325	789
Profit after tax	1282	2440*
Consolidated Balance Sheet	FY06	FY07
Equity Share Capital	775	1550
Share application	-	227
Reserve and surplus	1375	2909
Total Shareholder's funds	2150	4686
Loans	3723	12637
Total Liabilities	5873	17323
Gross block	258	521
Less: Depreciation	83	126
Net Block	175	395
Capital work in progress	3	9
Total Fixed Assets	178	404
Goodwill on consolidation	70	209
Investments	2	1
Gross current assets	11995	23800
Less: Current liabilities and provisions	6378	7174
Net Current assets	5617	16626
Deferred tax assets	6	13
Miscellaneous expenditure	0	70
Total assets	5873	17323
Net worth	2150	4616

PBDITA Margins (%)

FY06	FY07
20	25

PAT Margins (%)

FY06	FY07
15	17

Debt equity Ratio (times)

FY06	FY07
1.7	2.7

Current Ratio (times)

FY06	FY07
1.9	3.3

* After prior year Tax adjustments of Rs. 137 mio