

## **NOTICE**

**NOTICE** is hereby given that the **Eleventh Annual General Meeting** of the members of **Omega Interactive Technologies Limited** will be held on Thursday, September 27, 2007 at 11 a.m. at 1/1 Ramdas Building, Kalbadevi Road, Mumbai 400 002 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007, the Profit and Loss Account and Cash Flow Statement for the year ended on that date the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Devraj Shetty, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**By Order of the Board of Directors**

**Dharam Vakharia**  
Executive Director

**Place: Mumbai**  
**Date: 30<sup>th</sup> June 2007**

**Registered Office:**  
1/1 Ramdas Building  
456 Kalbadevi Road,  
Mumbai 400 002

### **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from September 25, 2007 to September 27, 2007, both days inclusive.
3. Members/Proxies should bring the attendance slips duly completed for attending the Meeting.
4. Instruments of proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

### **DIRECTORS' REPORT TO THE MEMBERS**

Your Directors herewith present the Thirteenth Annual Report of your Company together with the audited Balance Sheet as at 31st March 2007, the Profit and Loss Account and Cash Flow Statement for the year ended on that date.

#### **FINANCIAL RESULTS:**

| Particulars  | Year-ended<br>31.03.2007 | Year-ended<br>31.03.2006 |
|--|--------------------------|--------------------------|
| <b>A. Income from IT Services:</b>                         |                          |                          |
| a) Export  | 54,000.00                | 176522.37                |
| b) Domestic  | 2,26,000.00              | 6822.00                  |
| <b>B. Financial Income</b>                                 | 7159.00                  | 3283.01                  |
| <b>TOTAL INCOME (A+B)</b>                                  | 2,87,459.00              | 186687.41                |
| Less: Expenditure  | 344313.81                | 902615.86                |
| Profit/(Loss) Before tax                                   | (56,854.81)              | (715928.45)              |
| Provision for Deferred Tax                                 | -                        | -                        |
| Provision for Taxation (short provision for earlier years) | -                        | -                        |
| Profit/(Loss) after tax                                    | (56,854.81)              | (715928.45)              |
| Add: Balance b/f   | (14887698.95)            | (14171770.50)            |
| Balance carried to Balance Sheet                           | (14944553.76)            | (1,4887698.95)           |

#### **DIVIDEND:**

In absence of any profits for the year, your Directors do not recommend any dividend for the year under review.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

##### **Overview: -**

Your Company is focusing on ITES, and currently executes jobs in the space of content generation and verification.

##### **Industry Structure & Development: -**

Outsourcing in the ITES-BPO market is a significant revenue generating area for India's software and services companies.

This growth notwithstanding, the benefits of outsourcing are still accruing to the big/large companies. Companies in the small to medium segment still face problems of scale and resource, and have yet to secure significant contracts.

##### **Opportunity & Threats: -**

Under the ITES-BPO segment, there are opportunities in

- a) Content Generation and verification
- b) Business/Market research
- c) Loan Recovery
- d) Online Education &
- e) Patent writing & evaluation services

Your Company is doing some amount of content generation and verification work for an overseas client. However, financial resources continue to be a weakness for the company.

**Risks & Concerns: -**

Your Company does business, which is governed by issue of size and market segment. To be able to bid for ITES contracts, companies must exhibit the capacity to scale and grow. This is applicable to your company as well. Your Company does not faces any risk of breach of contractual liability, or litigations of any sort.

**FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS:****Overview:**

The Financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and the Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI).

**Performance:**

During the year under review, the company has been unable to make any significant progress in the ability to garner business on a scale basis.

For the year ended 31 March 2007, the Earnings Per Share (EPS) after taxation comes to Rs. (0.01) per share as compared to previous year figure of (0.14)

**HUMAN RESOURCES: -**

During the year under review, warm and cordial relationship was maintained between the management and the employees. Your Directors hereby place on record their appreciation for the support and contribution of all employees of the Company.

**INTERNAL CONTROL: -**

The Company has proper and adequate systems of internal control, also management reviews the internal control systems, and procedures to ensure orderly and efficient conduct of the Business.

**CAUTIONARY STATEMENT: -**

The statements in the Management Discussion & Analysis report describing the Company's expectations, predictions or projections may be forward looking within the meaning of relevant securities law, rules and regulations. The actual results may differ from the one as projected in the statement above.

The reasons for such a difference could be changes in the government policies, relating to taxation laws, and other economic developments within and or outside India.

**SUBSIDIARY COMPANY:**

The affairs of the subsidiary company namely Mykindasite International Private Limited has been reviewed by the directors of your Company. Further as required under section 212 of the Companies Act, 1956, the Annual Report for the Financial Year 2006-2007 also includes the Accounts for the year ended 31<sup>st</sup> March 2007 of the subsidiary company.

**FIXED DEPOSIT:**

Your Company has not accepted any deposits from the public during the year under review.

**PARTICULARS OF EMPLOYEES:**

There are no employees whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 does not apply to your Company.

|                           |            |
|---------------------------|------------|
| Foreign Exchange Earnings | Rs. 54,000 |
|---------------------------|------------|

|                        |         |
|------------------------|---------|
| Foreign Exchange Outgo | Rs. Nil |
|------------------------|---------|

### **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Devraj Shetty retires by rotation and being eligible, offers himself for reappointment.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

1. That in the presentation of the annual accounts for the year ended 31<sup>st</sup> March 2007, the applicable accounting standards have been followed and that there are no material departures.
2. That significant accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2007 and of the loss and cash flow of the Company for that year.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts for the year ended 31<sup>st</sup> March 2007 have been prepared on a going concern basis.

## **CORPORATE GOVERNANCE:**

A report on **CORPORATE GOVERNANCE** forms part of this Report as **Annexure I**.

## **AUDITORS:**

M/s Sampat Mehta & Associates, Chartered Accountants, retire as Auditors of the Company at the forthcoming Annual General Meeting of the Company and being eligible offers themselves for reappointment. The Company is in receipt of a letter from them certifying that their re-appointment, if made, would be within the limits specified under section 224(1B) of the Companies Act, 1956.

## **ACKNOWLEDGEMENT**

Your Directors' places on record special thanks to all the statutory and government authorities for their co-operation and guidance given to the Company during the year under review. The Directors also wishes to thank the banker's of the Company.

**On behalf of the Board of Directors**

**GEORGE THOMAS**  
**Chairman & Managing Director**

**Place: Mumbai**

**Date: 30<sup>th</sup> June 2007**

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**Annexure I****Corporate Governance Report**

Corporate Governance is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the shareholders, the creditors, the Government and the Society at large.

The status of implementation of the key recommendations of SEBI on Corporate Governance is given below: -

**Company's Philosophy on Code of Governance**

Omega Interactive Technologies Limited (OITL) envisages complete transparency and adequate disclosure with an ultimate aim of value creation for all players i.e. the stakeholders, creditors, the government, the depositors and the employees.

**A. Board Composition****1. Size and Composition of the Board**

The Company has an appropriate mix of Executive and Independent Directors on the Board of the Company in order to maintain the independence of the Board and to separate the board functions of governance and management. The Board consists of 5 (five) members, 2 (two) of whom are Executive or Whole-time Directors, and 3 (three) Independent Directors. Both the Executive Directors of the Company are the founders / promoters of the Company.

The members on the Board possess adequate experience, expertise, and skills necessary to manage the affairs of the Company in the most efficient manner.

**Table I: Composition of the Board, and external directorships held during FY 2006-2007.**

| <b>Name of Directors'</b> | <b>Position</b>              | <b>Relationship with other Directors</b> | <b>Directorships held as on March 31, 2007 (excluding foreign and independent private companies)</b> | <b>Committee membership in all Companies</b> | <b>Chairmanship in Committees in which they are members</b> |
|---------------------------|------------------------------|--|--|--|---|
| George Thomas             | Chairman & Managing Director | None                                     | 1  | 3  | 0   |
| Dharam Vakharia           | Whole-time Director          | None                                     | 1  | 3  | 0   |
| Vidur Raj Bhalla          | Independent Director         | None                                     | 0  | 2  | 0   |
| Manoharlal Manchandani    | Independent Director         | None                                     | 0  | 3  | 3   |
| Devraj Shetty             | Independent Director         | None                                     | 0  | 4  | 2   |

+ Nominee of M/s Bernard Herold & Co. Inc. U S A

*(The qualifications of all the Directors have been reproduced in Annexure 'I-A' to this Report).*



## 2. Membership Term

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the provisions of Companies Act. Executive Directors are appointed by the shareholders for a maximum period of five (5) years at a time, but are eligible for re-appointment upon completion of their term. Non-executive Directors do not have a specified term, but retire by rotation as per law.

## B. Board Meetings

### 1. Scheduling of Board Meetings.

Mostly all the Board meetings are held at the registered office of the Company at Ajanta House, 35, Marol Co-op Industrial Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. When necessary, additional meetings are held.

There were four (4) Board Meetings held during the financial year ended 31<sup>st</sup> March 2007, 23<sup>rd</sup> June 2006, 27<sup>th</sup> July 2006, 28<sup>th</sup> October 2006, and 19<sup>th</sup> January 2007 and 24<sup>th</sup> March 2007s. Table 2 gives the attendance record of the Directors.

Table 2: Number of Board Meetings and the attendance of Directors during FY 2006-2007

| Name of Directors      | Number of Board meetings held | Number of Board meetings attended | Whether attended last AGM |
|------------------------|-------------------------------|-----------------------------------|---------------------------|
| George Thomas          | 5                             | 5                                 | Yes                       |
| Dharam Vakharia        | 5                             | 5                                 | Yes                       |
| Vidur Raj Bhalla+      | 5                             | 0                                 | No                        |
| Devraj Shetty++        | 5                             | 1                                 | No                        |
| Manoharlal Manchandani | 5                             | 5                                 | Yes                       |

+ For all the above meetings Mr. Bhalla was granted leave of absence from attending it.

++ Mr. Devraj Shetty was present for all the above meetings through telephone.

### 2. Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the company and to any employee of the Company. At meetings of the Board, it welcomes the presence of managers who can provide additional insights into the items being discussed.

### 3. Materially significant related party transactions

There were no materially related party transactions with the Directors of the Company having personal conflict with the interest of the Company at large.

The details of related party transactions, pecuniary transactions, or relationships between the Company and its subsidiary for the year ended March 31, 2007 has been specified in the notes to accounts.

### 4. Particulars of the Director(s) seeking appointment/re-appointment at the ensuing Annual General Meeting pursuant to the Listing Agreement

Mr. Devraj Shetty is seeking for re-appointment at the ensuing annual general meeting of the Company, and as per the requirements of the listing, agreement, entered into with the Stock Exchange-Mumbai, his particulars are as given below:

Mr. Shetty is a professional of repute and has a wide and varied experience.  
Mr. Shetty is not on the Board of any companies.

## C. Board Committees

Currently, the Board has two (2) committees, namely the Audit Committee, Share Transfer-cum-Shareholder/Investors Grievances Committee.

The Audit Committee and The Share Transfer-cum-Shareholder/Investors Grievances Committee consists of three (3) members with the Chairman been an independent director.

**(1) Audit Committee:**

The Audit Committee comprises of the following members:

1. Manoharlal Manchandani-*Chairman*
2. Vidur Raj Bhalla
3. Devraj Shetty

George Thomas and Dharam Vakharia, both Executive Directors and Mr. Sanjiv Jhaveri, Partner of Sampat Mehta & Associates, Chartered Accountants, the statutory auditors of the company, are invited to attend all the audit committee meetings, but have no powers to either vote or influence the members on any matter, coming before the committee members.

During the financial year ended 31<sup>st</sup> March 2007 Five (5) audit committee meetings were held viz 23<sup>rd</sup> June 2006, 27<sup>th</sup> July 2006, 28<sup>th</sup> October 2006, and 19<sup>th</sup> January 2007 and 24<sup>th</sup> March 2007.

Table 3 gives the attendance of the Audit Committee members during the FY 2006-2007.

| <b>Name of Members</b> | <b>Number of Audit Committee meetings held</b> | <b>Number of Audit Committee meetings attended</b> |
|------------------------|--|--|
| Manoharlal Manchandani | 5  | 5  |
| Devraj Shetty**        | 5  | 5  |
| Vidur Raj Bhalla       | 5  | None   |

\*\* Mr. Shetty was present for all these meetings through telephone.

According to the definition laid down in clause 49 of the listing agreement, the audit committee comprises of all non-executive directors with a majority of them been independent. The Company Secretary acts as the Secretary to the Audit Committee. The meetings of the audit committee are usually conducted at the registered office of the Company.

The committee's primary responsibility is to monitor the internal control systems as well as to check whether the financial reporting process of the management is in accordance with the Accounting Standards and Principles as laid down by the Institute of Chartered Accountants of India (ICAI). They are also responsible to oversee the process related to the financial reporting and information dissemination, in order to ensure that the Company's financial statements are correct and give a true and fair view of the financial health of the Company. In this context, the committee has discussed with the Company's auditors the overall scope and plans of the independent audit.

The committee has also recommended for the appointment of M/s Sampat Mehta & Associates, Chartered Accountants as the Company's Statutory Auditors for the fiscal year ended March 31, 2007 and that the necessary resolution be placed before the shareholders for their approval.

**2. Share Transfer-cum-Shareholders/Investors Grievances Committee:**

The Company's Registrar and Transfer Agents, namely Ms Intime Spectrum Registry Limited have been duly authorised by the Board of Directors of the Company to give effect to all the transfer of securities within the stipulated period of 30 days from the date of receipt of valid and correct transfer deeds, without any prior confirmation of the Company.

As a result of such afore-mentioned delegation the Share Transfer-cum-Shareholders/Investors Grievances Committee shall meet on such occasions as may arise.

the committee comprises of 3 (three) members, namely:

Manoharlal Manchandani                      *Chairman*  
Dharam Vakharia  
George Thomas



The Compliance Officer is primarily responsible for coordinating with M/s Intime Spectrum Registry Ltd., the Registrar & Transfer Agents of the Company in order to ensure that the process of Share Transfer is streamlined.

#### D. Shareholders' Information

|   |   |
|---|---|
| ISIN No.                                    | INE113B01011  |
| BSE Code                                    | 511644  |
| Listing on Stock Exchange                   | The Stock Exchange, Mumbai<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001                                     |
| Status of Listing Fees                      | Paid to the above Stock Exchange for 2006-2007  |
| Share Transfer Agent                        | Intime Spectrum Registry Ltd,<br>C-13, Pannalal Silk Mill Compound, L.B.S. Marg,<br>Bhandup (W), Mumbai-400 078           |
| Share Transfer Agent<br>(Collection Centre) | 203, Daver House, 197/199, D.N.Road,<br>Fort. Mumbai-400 001  |
| Compliance Officer                          | Dharam Vakharia-Executive Director<br>Ajanta House, 35 Marol Co-op Indl. Estate,<br>M.V.Road, Andheri (E), Mumbai-400 059 |

#### Dematerialization of Shares:

89.39 % of the paid-up capital has been dematerialized as on 31.03.2007. The details of which are as follows:

| <u>Particulars</u>                        | <u>No. of Shares</u> | <u>% to the total issued &amp; paid-up capital</u> |
|---|----------------------|--|
| <b>Demat</b>                              |                      |  |
| NSDL 40,96,880                            |                      |  |
| CDSL 3,72,800                             | 44,69,689            | 89.40  |
| <b>Physical</b>                           | 5,30,311             | 10.60  |
| <b>Total issued &amp; paid up capital</b> | 50,00,000            | 100.00   |

#### Share holding Pattern as on 31.3.2007

| <u>Partioulars</u>                        | <u>% age to the total paid up capital</u> |
|---|---|
| Bodies Corporate                          | 45.95                                     |
| Directors & Relatives                     | 4.11                                      |
| Foreign Company                           | 3.00                                      |
| Non Resident Indian                       | 0.27                                      |
| Overseas Corporate Bodies                 | 1.89                                      |
| Unit Trust of India and Nationalized Bank | 0.02                                      |
| Public                                    | 44.09                                     |
| <b>Total Paid up Capital 100 % age</b>    | <b>100.00</b>                             |

**DISTRIBUTION OF SHAREHOLDING  
AS ON 31.3.2007**

| SHAREHOLDING OF NOMINAL<br>VALUE OF |        | SHAREHOLDERS | %AGE        | SHARE         | %AGE         |
|-------------------------------------|--------|--------------|-------------|---------------|--------------|
| RS.                                 | RS.    | NUMBER       | OF<br>TOTAL | AMOUNT<br>RS. | TO<br>EQUITY |
| UPTO                                | 2500   | 2670         | 66.77       | 32,25,920     | 6.45         |
| 2501 -                              | 5000   | 608          | 15.20       | 24,42,120     | 4.88         |
| 5001 -                              | 10000  | 318          | 7.95        | 26,50,810     | 5.30         |
| 10001 -                             | 20000  | 183          | 4.57        | 27,22,170     | 5.44         |
| 20001 -                             | 30000  | 74           | 1.85        | 18,37,340     | 3.67         |
| 30001 -                             | 40000  | 28           | 0.70        | 09,96,230     | 2.00         |
| 40001 -                             | 50000  | 25           | 0.62        | 11,72,540     | 2.35         |
| 50001 -                             | 100000 | 48           | 1.20        | 34,03,440     | 6.81         |
| 100001 &                            | Above  | 45           | 1.12        | 3,15,49,430   | 63.10        |
| TOTAL:                              |        | 3999         | 100.00      | 5,00,00,000   | 100.00       |

**E. Means of Communication**

There are no presentations made to the institutional investors or analysts.

Half Yearly results are not sent to each household of shareholders.

The Management Discussion and Analysis Report forms part of the Directors' report.

**F. General Body Meetings:**

Locations and time of General Meetings held in the last three years:

| Year | Type | Date              | Venue   | Time       |
|------|------|-------------------|---|------------|
| 2006 | AGM  | September 7, 2006 | Ajanta House, 35, Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059. | 9.00 a.m.  |
| 2005 | AGM  | August 12, 2005   | Ajanta House, 35, Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059. | 9.00 a.m.  |
| 2004 | AGM  | July 7, 2004      | Ajanta House, 35, Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059. | 11.00 a.m. |