

Annual Report
2000 - 2001



OMEGA INTERACTIVE
TECHNOLOGIES LIMITED

**BOARD OF DIRECTORS**

Chairman & Managing Director

George Thomas

Executive Director

Dharam Vakharia**Shailesh Vaidya****Vidur Raj Bhalla**

(Nominee of Bernard Herold & Co., U. S. A.)

Angleen Malik

(Alternate Director to Vidur Raj Bhalla)

Robert Pavrey (w.e.f. 28th May, 2001)**COMPANY SECRETARY****Rupesh Samani****BANKERS**

The Saraswat Co-operative Bank Ltd.

SBI Commercial & International Bank Ltd.

Canara Bank

AUDITORS

M/s. Sampat Mehta & Associates

REGISTERED OFFICE

Ajanta House,
35 Marol Co-operative Industrial Estate,
M. V. Road, Marol,
Andheri (East),
Mumbai 400 059

REGISTRAR & TRANSFER AGENT**INTIME SPECTRUM REGISTRY PVT. LTD.**

260, Shanti Industrial Estate,
Sarajini Naidu Road,
Mulund (West),
Mumbai 400 080
Tel. No. : 91-22-568 4590 / 91

INTIME SPECTRUM REGISTRY PVT. LTD.**(Collection Centre)**

203, Daver House,
197/199, D. N. Road,
Fort, Mumbai 400 001
Tel. No. : 91-22-265 6929 / 261 3909



SHAREHOLDERS' INFORMATION

1. 7th Annual General Meeting:

* Date and Time : 9th August, 2001 at 11.00 a.m.
 * Venue : Ajanta House,
 35 Marol Co-operative Industrial Estate,
 M. V. Road, Marol, Andheri (East),
 Mumbai 400 059.

2. Date of Book Closure : 2nd August, 2001 to 9th August, 2001
 (both days inclusive)

3. Listing on Stock Exchange : The Stock Exchange, Mumbai
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai 400 001
 Tel No. : 91-22-265 5581
 Fax No. : 91-22-265 8121

4. Listing Fees : Paid to the above mentioned Stock Exchange as per
 Listing Agreement.

5. ISIN No. : INE113B01011

6. BSE Code : 511644

7. Registered Office : Ajanta House,
 35 Marol Co-operative Industrial Estate,
 M. V. Road, Marol, Andheri (East),
 Mumbai 400 059.
 Tel No. : 91-22-859 0857/58
 Fax No. : 91-22-859 0855

8. Share Transfer Agent : Intime Spectrum Registry Pvt. Ltd.
 260, Shanti Industrial Estate,
 Sarojini Naidu Road,
 Mulund (West),
 Mumbai - 400 080

9. Share Transfer Agent
 (Collection Centre) : 203, Daver House,
 197/199, D. N. Road,
 Fort, Mumbai - 400 001

10. Compliance Officer : Mr. Rupesh Samani
 Company Secretary
 Ajanta House,
 35 Marol Co-operative Industrial Estate,
 M. V. Road, Marol, Andheri (East),
 Mumbai 400 059.
 Tel No. : 91-22-859 0857/58
 Fax No. : 91-22-859 0855

11 Financial Calendar

* Last Annual General Meeting : 9th August, 2000
 * Board Meetings : 25th May, 2000
 27th July, 2000
 21st September, 2000
 27th October, 2000
 24th January, 2001
 (5 Meetings held during the year)



12. Share Transfer System:

Share sent for physical transfer are generally transferred and returned within 21 days from the date of receipt, if the documents are clear in all respects. The Share Transfer Committee meets atleast once in 15 days.

The total number of Shares transferred in the physical form during the last two years were as follows:

Particulars	2000-2001	1999-2000
Number of Shares	19,19,700	13,25,600

13. Dematerialisation of Shares:

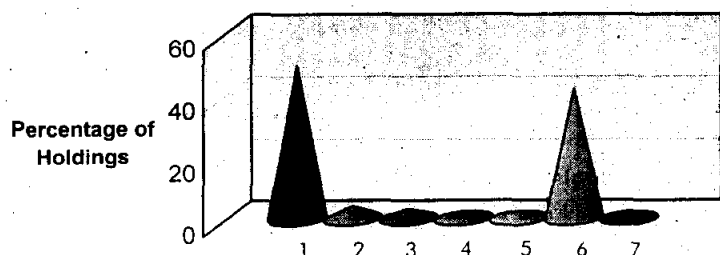
* Trading in Equity Shares of the Company became mandatory in dematerialised form w.e.f. 8th May, 2000. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Company has entered into agreement with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these depositories.

* As of date (approx.) 60% of the Equity Shares of the Company are in the dematerialised form.

14. Distribution of Shareholders (Rupees) as on 31st March, 2001.

Shareholding of Nominal Value Rs.	Rs.	Shareholders Number	% of Total	Share Amount Rs.	% of Total
1	5000	3934	84.99	6747920	12.50
5001	10000	334	7.21	2791600	5.58
10001	20000	154	3.33	2310540	4.62
20001	30000	79	1.71	1966030	3.93
30001	40000	28	0.60	998500	2.00
40001	50000	23	0.50	1074900	2.15
50001	100000	36	0.78	2546850	5.09
100001	Above	41	0.88	31563660	63.13
TOTAL		4629	100.00	50000000	100.00

Shareholding Pattern as on 31st March, 2001



- | | |
|--|----------------------------------|
| 1. Bodies Corporate (49.24%) | 2. Directors & Relatives (3.91%) |
| 3. Foreign Company (3.00%) | 4. Non Resident Indian (0.06%) |
| 5. Overseas Corporate Bodies (1.98%) | 6. Public (41.78%) |
| 7. Unit Trust of India and Nationalised Bank (0.03%) | |

Status on Dematerialised Shares as on 31st March, 2001



- | | |
|---------------------|-----------------|
| ■ Physical (39.29%) | ■ NSDL (59.29%) |
| □ CDSL (1.42%) | |



Omega Interactive Technologies Limited

NOTICE

NOTICE is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the members of **OMEGA INTERACTIVE TECHNOLOGIES LIMITED** will be held on Thursday, the 9th August, 2001 at 11.00 a.m. at Ajanta House, 35 Marol Co-operative Industrial Estate, M. V. Road, Marol, Andheri (East), Mumbai - 400 059 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Accounts together with the Directors' Report and the Auditors' Report thereon for the year ended 31st March, 2001.
2. To appoint a Director in place of Mr. Dharam Vakharia, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Robert Pavrey, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under the provisions of Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Robert Pavrey for the office of the Director be and is hereby appointed as a Director of the Company."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of Resolution passed at the Annual General Meeting held on 9th August, 2000, in respect of the appointment and terms of remuneration of Mr. George Thomas, Chairman and Managing Director and Mr. Dharam Vakharia, Whole Time Director, respectively, and in accordance with the provisions of Section 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revised terms of remuneration inclusive of perquisites and allowances of the aforesaid Chairman and

Managing Director and Whole Time Director with effect from 1st April, 2001 for the remainder of the tenure of their contracts as set out in the respective draft Supplementary Agreements submitted to this meeting and signed by the Chairman for the purpose of identification, are hereby specifically approved.

RESOLVED FURTHER THAT in the event of loss or inadequate profits the salary and perquisites payable to the aforesaid Chairman and Managing Director and Whole Time Director each shall be as stated in the Part II of Section II of Schedule XIII of the Act."

NOTES:

1. The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under Item Nos. 4 & 5 is annexed hereto.
2. 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 OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Thursday, the 2nd August, 2001 to Thursday, the 9th August, 2001 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to kindly notify the Company of any change in their addresses immediately so as to enable the Company to address future communications to their correct addresses.
5. Members are requested to kindly bring their copies of the Annual Report and the Attendance Slips/Proxies duly filled in for attending the Meeting.

By order of the Board of Directors

Registered Office:

Ajanta House,
35 Marol Co-op. Indl. Estate,
M. V. Road, Marol, Andheri (East),
Mumbai - 400 059

Rupesh Samani
Company Secretary

Place : Mumbai

Date : 28th May, 2001



EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4:

The Board of Directors of the Company has appointed Mr. Robert Pavrey as an Additional Director of the Company with effect from 28th May, 2001. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 118 of the Articles of Association of the Company, Mr. Robert Pavrey, holds office as an Additional Director up to the date of the forthcoming Annual General Meeting of the Company. The Company has received Notice pursuant to Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Robert Pavrey for the office of Director at the forthcoming Annual General Meeting of the Company. The Board commends to the members his appointment as Director of the Company.

Mr. Robert Pavrey has a Masters degree in Commerce and a degree in Law, both from Mumbai University. He is a Fellow member of Institute of Company Secretaries of India. Mr. Pavrey has over 10 years experience in the Secretarial and Legal field and acts as an advisor to various companies, including a few multinational Companies.

Apart from Mr. Robert Pavrey, no other director is interested or concerned in the said resolution.

Item No. 5:

At the Annual General Meeting of the Company held on 9th August, 2000, the members of the Company had approved the re-appointment of Mr. George Thomas, as Chairman and Managing Director and Mr. Dharam Vakharia, as Whole Time Director of the Company. Taking into consideration the increased business activities of the Company and the responsibilities cast on the Directors, the Board has at its meeting held on May 28, 2001, approved the revision in the salary scales of the Managing Director and Whole Time Director of the Company respectively with effect from 1st April, 2001 in the manner and to the extent given below:

1. SALARY :

Not exceeding Rs. 50,000/- per month with such increments as may be decided by the Board from time to time.

In addition to the salary, they will be eligible for the perquisites as given below, subject to the limits specified under schedule XIII to the Companies Act, 1956.

2. PERQUISITES :

- * The perquisites and allowances such as accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof; House maintenance allowance, together with utilities thereof, medical expenses, leave travel concession, club fees and personal accident insurance and such other allowances as may be approved by the Board from time to time, be restricted to Rs. 6,00,000/- (Rupees Six Lacs only) per annum.
- * The Company's contribution to Provident Fund/ Superannuation Fund will not be considered as a perquisite and will be as per the Company's Rule. Gratuity payable shall not exceed half a month salary for each completed year of service.
- * The Board commends the Resolution for acceptance by the Members.
- * The Draft Supplementary Agreements between the Company and the Managing Director and the Whole Time Director respectively are available for inspection by Members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working days of the Company.
- * Apart from Mr. George Thomas and Mr. Dharam Vakharia, no other directors are concerned or interested in the said resolution.

By order of the Board of Directors

Registered Office:

Ajanta House,
35 Marol Co-op. Indl. Estate,
M. V. Road, Marol, Andheri (East),
Mumbai - 400 059

Rupesh Samani
Company Secretary

Place : Mumbai

Date : 28th May, 2001



Omega Interactive Technologies Limited

DIRECTOR'S REPORT

To,

THE MEMBERS, OMEGA INTERACTIVE TECHNOLOGIES LIMITED

Your Directors have pleasure in presenting the Seventh Annual Report of the Company together with the Audited Profit and Loss Account for the year ended March 31, 2001, and the Balance Sheet as on that date :

FINANCIAL RESULTS :

	Year ended 31.03.2001 (Rs.)	Year ended 31.03.2000 (Rs.)
A. Income from Software Development:		
a) Export	88,11,056	1,37,14,497
b) Domestic	1,95,000	6,86,600
B. Transfer of Portal to 100% Subsidiary	—	5,00,00,000
C. Financial Income	70,41,983	17,91,747
D. Other Income	3,12,528	—
E. Profit on Sale/Scrap of Assets	—	1,75,688
Total Income	1,63,60,567	6,63,68,532
Less: Expenditure	1,45,00,006	1,26,08,228
Profit Before Tax	18,60,561	5,37,60,304
Provision for Tax	8,00,000	12,10,000
Profit after Tax	10,60,561	5,25,50,304
Add: Balance brought forward	5,59,74,650	34,24,347
Amount available for appropriation	5,70,35,211	5,59,74,650
Appropriations :		
Previous year adjustment	1,30,486	—
Balance carried to Balance Sheet	5,69,04,725	5,59,74,650

DIVIDEND :

In order to conserve the resources of the Company and to plough back the same into the business of the Company, your Directors do not recommend any dividend for the year under review.

REVIEW OF BUSINESS AND FUTURE OUTLOOK :

Your Directors would like to inform you that during the year under review the Company had filed an application with the Reserve Bank of India for conversion of Non Trading Branch Office of the Company in USA into Trading Branch Office. Your Directors are pleased to inform you that the Reserve Bank

of India vide their letter dated 4th December, 2000 has granted their approval for the conversion of the Non Trading Branch Office in USA to a Trading Branch Office.

The latter part of the year under review saw a severe recession in the Global Information Technology Industry. As you may be aware from various reports in the press and other media, there is a shrinking in the overall spending on Information Technology in the US, which is the single largest software market in the world and also the largest demand generator of IT skills for the Indian Software Industry. This cutback in US technology spending has had a chain reaction on several software development Companies. However, the other side to this downturn is the fact that once this recession in the business cycle tides over, there will be a renewed demand for outsourcing software development services from India. This is to reap the benefits of cost optimal, quality driven software development skills that the Indian software industry has to offer. Members will be aware that your Company has always focused on offshore development services and this has stood the Company in good stead.

Your Directors are pleased to inform you that your Company has made a significant business development achievement and has signed a contract with the division of a global transnational investment bank. This Bank is a clearing house to 650 independent institutional and retail financial organisations located in nine offices worldwide and provides a full range of investment related products and services to the financial services community. Its business include execution, settlement, financing and information management services. Your Company is working on automating the current manual process by creating and deploying a new Order Management System (OMS) for the OTC Agency Desk of this company. The new OMS now provides electronic order input and management, real time order monitoring and alerts, order routing and improved pre-opening process.

As mentioned above, once the global scenario in the software industry improves, there will be an increased demand for outsourcing services from Indian software development Companies. Your Company is continuously building strengths and developing initiatives in this area and efforts are being made to try and increase this share of off-shore development.

SUBSIDIARY COMPANY :

Members are aware that Omega Portals Ltd. (Omega) is a subsidiary of the Company. Pursuant to the Companies (Amendment) Act, 2000, the provisions in Section 43A relating to Deemed Public Companies have been deleted. As provided in the newly inserted sub-section (2A) of Section 43A Omega filed the application with the Registrar of Companies, Maharashtra for conversion into Private Company, and w.e.f. 19th March, 2001 the word 'Private' has been inserted in the name. Henceforth the name of the Company will be Omega Portals Private Limited.

Further, with a view to obtain the optimum leverage with respect to Omega's future endeavors as well as to provide a better identity, the Board of Directors have thought it prudent and necessary to change the name by adopting the name "Mykindasite" as its first name.

The Company had accordingly filed the application with the Registrar of Companies, Maharashtra, on 11th April, 2001 for the said change in the name.



7th Annual Report 2000 - 2001

As required under Section 212 of the Companies Act, 1956, the Annual Report for the Financial Year 2000-2001 along with the Accounts for the year ended 31st March, 2001 of the Subsidiary Company are attached herewith.

FIXED DEPOSITS :

The 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. 88,11,056.40

Foreign Exchange Outgo Rs. 40,64,439.17

DIRECTORS :

The Board of Directors appointed Mr. Robert Pavrey as an Additional Director of the Company with effect from 28th May, 2001. Mr. Robert Pavrey will hold office as a Director of the Company up to the date of the forthcoming Annual General Meeting. The Board had appointed Mr. Robert Pavrey as a non-executive and independent Director of the Company to comply with the provisions of clause 49 of the Listing Agreement with the Stock Exchange.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Dharam Vakharia retires by rotation, and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. appropriate accounting policies have been selected and applied consistently, and have 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 as at March 31, 2001 and of the profit of the Company for the year ended on that date.
3. 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. the annual accounts have been prepared on a 'going concern' basis.

AUDIT COMMITTEE :

Members: Mr. George Thomas (Chairman)
Mr. Shailesh Vaidya
Mr. Robert Pavrey

The Company Secretary acts as the secretary to the Committee. The Executive Director who is the director-in-charge of finance and the Statutory Auditor attend the meeting on the invitation of the Chairman.

The Committee will deal with the accounting matters, financial reporting and internal controls. The power and role of the Audit Committee is as per the guidelines set out in the amended listing agreement. The Committee will meet at least thrice a year and review the half yearly and annual financials statements before they are submitted to the Board. The Committee will monitor any proposed changes in the accounting policies, accounting implications of major transactions, etc. The Committee will also closely review the adequacy of internal audit controls, formulates and monitors the annual audit plan.

AUDITORS OBSERVATION :

The observation in the Auditors Report read with the notes to the accounts is self-explanatory and require no further explanation.

AUDITORS :

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

CORPORATE GOVERNANCE :

Recent amendment to the Listing Agreement with Stock Exchanges require the Company's compliance of Corporate Governance norms with effect from 1st April, 2002. Your Company contributes to this Philosophy and is adopting a comprehensive Corporate Governance Policy with a view to ensuring transparency, full disclosure of facts, fairness and accountability and a framework of ethical business conduct.

LISTING :

Listing fees for the financial year 2001-2002 has been paid to the Stock Exchange, Mumbai pursuant to clause 38 of the Listing Agreement.

ACKNOWLEDGEMENT :

The Directors thank the employees, who carried out their responsibilities under difficult circumstances to improve production, reduce costs and remain profitable in an adverse market situation. The Directors also thank the Central and State Governments, RBI, STPI, Customs and NASSCOM for support and guidance. The Company's encouraging performance during a difficult year would not have been possible without the co-operation and support of its customers, business associates, suppliers, financial institutions, bankers and investors. The Directors would like to thank them for the trust reposed in the Company.

For and on behalf of the Board

George Thomas
Chairman & Managing Director

Place : Mumbai
Date : 28th May, 2001



Omega Interactive Technologies Limited

AUDITOR'S REPORT

**TO,
THE MEMBERS
OMEGA INTERACTIVE TECHNOLOGIES LIMITED**

We have audited the attached Balance Sheet of **OMEGA INTERACTIVE TECHNOLOGIES LIMITED** as at 31st March, 2001 and the Profit and Loss Account for the year ended on 31st March, 2001 annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) 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.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - i. We have obtained all the information & explanations which to the best of our knowledge & belief were necessary for the purposes of our audit;
 - ii. In our opinion proper books of account, as required by law have been kept by the Company so far as appears from our examination of the books;
 - iii. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account;
 - iv. The Balance Sheet and Profit & Loss Account dealt with by this Report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of our review of the confirmations received from the companies in which the directors of the company are directors and the information and explanation given to us, none of the directors of the companies are prima-facie as at 31st March, 2001 disqualified from being appointed as directors of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2001 and
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

For **SAMPAT MEHTA & ASSOCIATES**
Chartered Accountants

Sanjiv Jhaveri
Partner

Place : Mumbai
Dated : 28th May, 2001

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE IN TERMS OF PARA 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF OMEGA INTERACTIVE TECHNOLOGIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2001.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We have been informed that physical verification of the fixed assets was conducted by the management during the year and no discrepancies were observed between book records and physical verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its assets.
- 2) None of the fixed assets have been revalued during the year.
- 3) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 where the rate of interest and other terms and conditions are, in our opinion prima facie prejudicial to the interests of the Company. In terms of Sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the section are not applicable to a Company on or after 31st October 1998.
- 4) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 where the rate of interest and other terms and conditions are, in our opinion prejudicial to the interests of the Company. In terms of Sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the section are not applicable to a Company on or after 31st October 1998.
- 5) In respect of loans and advances in the nature of loans given by the Company, where stipulations have been made, the parties are generally repaying the amounts as stipulated or as rescheduled and have also been generally regular in the payment of interest where applicable.
- 6) In our opinion and according to the information and explanations given to us, and having regard to the explanation that some of the items are of a special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of equipment, goods and other assets and for the sale of goods.



- 7) In our opinion and according to the information and explanations given to us, there were no transactions of purchase of goods and sale of goods and services aggregating during the year to Rs. 50,000/- or more in respect of each party in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956.
- 8) In our opinion and according to information and explanations given to us, the activities of the Company are such that there are no raw materials utilised and that there are no finished goods that are determined as unserviceable.
- 9) The Company has not accepted any deposits from the public and consequently the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder are not applicable.
- 10) In our opinion and according to information and explanations given to us, the activities of the Company are such that no realisable by-product or scrap is generated.
- 11) In our opinion the company has an internal audit system commensurate with its size and nature of its business.
- 12) We are informed by the Management that the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- 13) According to the records of the Company, Provident Fund dues have been regularly deposited during the year with the appropriate authorities. We are informed that the Employees State Insurance Scheme is not applicable to the Company.
- 14) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax and Customs Duty outstanding as at 31st March, 2001 for a period of more than six months from the date they became payable.
- 15) According to the information and explanations given to us and the records of the Company examined by us, no personal expenses other than those payable under contractual obligations or in accordance with generally accepted business practices, have been charged to revenue account.
- 16) The Company is not a Sick Industrial Company within the meaning of clause (o) of Sub-section (1) of Section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 17) In our opinion and according to the information and explanations given to us, in respect of the service activities in the area of computer software development, the Company, commensurate with the size and the nature of its business, has a reasonable system of allocating man-hours utilised to each project, and authorisation and control over the allocation of labour costs to each project. We are informed that the activities of the Company are such that they do not involve the use of any significant amount of materials and stores.
- 18) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other similar securities and hence the question of maintaining adequate documents and records does not arise.
- 19) In our opinion, the provisions of clauses (iii) (iv) (v) (vi) of paragraph 4A and clauses (iii) (iv) of paragraph 4D of the aforesaid Order are not applicable to the Company for the year under report.

For SAMPAT MENTA & ASSOCIATES

Chartered Accountants

Sanjiv Jhaveri

Partner

Place : Mumbai
Dated : 28th May, 2001