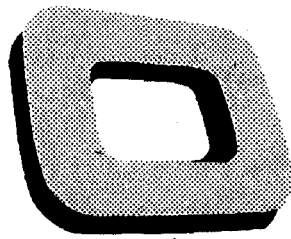


# **Annual Report**

## **2002 - 2003**

Report  junction.com



**OMEGA**

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**I N T E R A C T I V E**  
**T E C H N O L O G I E S L I M I T E D**



## BOARD OF DIRECTORS

Chairman & Managing Director

**George Thomas**

Executive Director

**Dharam Vakharia**

Director

**Vidur Raj Bhalla**

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

**Angleen Malik** (resigned w.e.f. 17-12-2003)  
(Alternate Director to Vidur Raj Bhalla)

**Robert Pavrey**

**Vijay Doshi** (resigned w.e.f. 10-04-2003)

**Manoharlal Manchandani** (w.e.f. 07-05-2003)

## COMPANY SECRETARY

**Sandeep Walawalkar** (appointed w.e.f. 01-01-2003)

## 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 LTD.

C-13 Pannalal Mill's Compound,  
LBS Marg,  
Bhandup (West),  
Mumbai 400 078  
Tel. No. : (91-22) - 2592 3837

### INTIME SPECTRUM REGISTRY LTD.

(Collection Centre)  
203, Daver House,  
197/199, D. N. Road,  
Fort, Mumbai 400 001  
Tel. No. : (91-22) - 2265 6929



## OMEGA INTERACTIVE TECHNOLOGIES LIMITED

### NOTICE

NOTICE is hereby given that the **Nineth Annual General Meeting** of the members of **Omega Interactive Technologies Limited** will be held on Wednesday, 6th August 2003 at 11.00 a.m. at Ajanta House, 35 Marol Co-op 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 Balance Sheet as at March 31, 2003, 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. Robert Pavrey, 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.

#### 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. Manoharlal Manchandani who was appointed as Director of the Company by the Board of Directors, pursuant to Article 119 of the Articles of Association of the Company to fill in the casual vacancy on the Board of the Company, caused by the resignation of Mr. Vijay Doshi and who holds office upto the date of this Annual General Meeting, pursuant to Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

**RESOLVED THAT** in supersession of the earlier Special Resolution passed by the Company and pursuant to the provisions of Section 163 of the Companies Act, 1956 ("the Act") approval of the shareholders, be and is hereby accorded to the keeping of the Company's Registers and the Index of members and copies of Annual Returns prepared under Section 159 and Section 160 of the Act together with the copies of the certificates and documents required to be annexed thereto under Section 160 and 161 of the Act at any one or more of them at the office of the Registrars and Share transfer Agents of the Company, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078 or such other office of theirs within the city of Mumbai as may be decided by them in future.

**RESOLVED FURTHER THAT** the Registers, Index, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Act, be kept open for such inspection at the place where they are kept by

the persons entitled thereto, to the extent, in the manner and on payment of fees, if any, specified in the Act between the hours of 11.00 a.m. and 1.00 p.m. on any working day (Monday through Friday) of the Company except when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company, Provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the members as aforesaid between the hours abovementioned during the period prescribed by sub-section (5)(a) of Section 307 of the Act.

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the consent be and is hereby accorded to loan(s) to be advanced to other companies, notwithstanding that such loan(s) advanced or such loan(s) together with the Company's loans advanced in all other bodies corporate, shall be in excess of any or all the percentages prescribed under the provisions of Sub-section (1) of Section 372A of the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be advanced within the sanctioned limits and all matters arising out of or incidental to the proposed investment and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.

By Order of the Board of Directors

**SANDEEP WALAWALKAR**  
Company Secretary

Place : Mumbai  
Date : May 31, 2003

**Registered Office:**  
Ajanta House,  
35 Marol Co-op Industrial Estate,  
M.V.Road, Marol,  
Andheri (E),  
Mumbai-400 059.

#### 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. An Explanatory Statement under Section 173 of the Companies Act, 1956, in respect of Item Nos.4, 5 & 6 are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday 02nd August 2003 to Wednesday 06th August 2003, both days inclusive.



4. Members/Proxies should bring the attendance slips duly completed for attending the Meeting.
5. Members should bring their copies of the annual reports to the Annual General Meeting. No copies will be distributed at the meeting as a measure of economy.
6. Please always quote your Folio Number and our Company's name in all your correspondence with the Company, and the same may be addressed to the Company's registered office at Ajanta House, 35 Marol Co-op Industrial Estate, M.V.Road, Marol, Andheri (E), Mumbai-400 059, or to our Registrar & Transfer Agent, M/s Intime Spectrum Registry Ltd C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078, or at their collection centre at 203, Daver House, 197/199, D.N.Road, Fort, Mumbai-400 001.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be made readily available at the Meeting.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

##### ITEM NO.4

In the vacancy caused by the resignation of Mr. Vijay Doshi, a Director liable to retire by rotation, the Board of Directors ("the Board") vide a circular resolution dated May 7, 2003, which was ratified in their meeting held on May 31, 2003 appointed Mr. Manoharlal Manchandani as a Director of the Company. Under Section 262 of the Companies Act, 1956, Mr. Manchandani holds office only upto the date upto which Mr. Vijay Doshi, in whose place he was appointed, would have held office, namely, till the date of the Ninth Annual General Meeting. Notice along with a deposit of Rs.500/- has been received from a member as required by Section 257 of the Companies Act, 1956, proposing Mr. Manchandani as a candidate for the office of Director.

Mr. Manchandani is a businessman of wide repute and stature & has an experience of almost 4 decades in the industry. Your Directors feels that the Company will gain from the knowledge, skill and experience of Mr. Manchandani, and therefore, recommend his appointment.

Apart from being on the Board of Omega Interactive Technologies Limited, Mr. Manchandani is not a Director in any other Company(ies).

Mr. Manchandani is concerned or interested in the resolution as it relates to his own appointment.

##### ITEM NO.5

Under the provisions of the Companies Act, 1956, certain records such as the register and the index of Members, annual returns, other related books and certificates, etc. have to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the shareholders accorded by a Special resolution passed in General Meeting. At present, the said records are kept at the premises of Intime Spectrum Registry Limited at 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai-400 080. Intime Spectrum Registry Limited as part of their reorganization plans, are relocating their offices and hence, the said records

will henceforth be kept at the new premises indicated in the Resolution at Item No. 5 or at such other office within the city limits of Mumbai as they may consider expedient for the purpose of rendering efficient service to the shareholders.

None of the Directors of the Company is concerned or interested in the passing of this resolution.

##### ITEM NO.6

Members will note that for the purposes of business, it is expected that the Company may be required to advance loans to other bodies corporate.

The Company in the past advanced loans from time to time to other bodies corporate. Section 372A of the Companies Act, 1956, states that the Board of Directors in their usual dealings with the funds of the Company are permitted to advance loans to other bodies corporate upto sixty percent of the paid-up share capital and free reserves of the Company or less than one hundred per cent of the free reserves of the Company whichever is more.

In the process of the management of the business, it is expected that the Company may be required to advance loan in excess of the limits as are enshrined in para 2, and in that case the Company will have to convene a General Meeting to accord approval of the Company for advancing loan in excess of sixty percent every time.

It is proposed to authorize the Board of Directors to advance loans to other bodies corporate in excess of the said limits. The purpose of the proposed resolution is to provide to the Directors a maximum ceiling exceeding sixty per cent of the paid-up share capital of your Company and its free reserves or one hundred per cent or more of the Company's free reserves, whichever is more. In the event of your acceptance of the aforesaid Special Resolution, no further Special Resolution or resolutions shall be deemed to be necessary for the making of loan or loans within the aforesaid limits of sixty per cent.

The Company proposes to advance loans to other bodies corporate not exceeding the following companies:

1. Malvern Trading Private Limited	Rs.9 crores
2. Omega Investrade Private Limited	Rs.4 crores
3. Onex Mercantile Private Limited	Rs.2 crores
Total	Rs.15 crores

The proposed loan will be made from time to time at such rates of interest which is not lower than the prevailing bank rate of interest, and will be sourced from the internal resources of your Company.

None of your Directors is personally concerned or interested in the proposed Special resolution and recommends your acceptance thereof in the interest of the efficient administration of the Company.

By Order of the Board of Directors

**SANDEEP WALAWALKAR**  
Company Secretary

Place : Mumbai  
Date : 31st May 2003.



## OMEGA INTERACTIVE TECHNOLOGIES LIMITED

### DIRECTOR'S REPORT TO THE MEMBERS

Your Directors herewith present the Ninth Annual Report of your Company together with the audited Balance Sheet as at 31st March 2003, the Profit and Loss Account and Cash Flow Statement for the year ended on that date.

#### FINANCIAL RESULTS:

Particulars	Year ended 31.03.2003	Year ended 31.03.2002
A. Income from IT Services:		
a) Export	71,48,551.00	85,71,841.00
b) Domestic	3,66,080.00	3,73,000.00
B. Financial Income	55,41,865.86	74,66,795.05
C. Other income	-	41,534.00
<b>Total Income</b>	<b>1,30,56,496.86</b>	<b>1,64,53,170.05</b>
Less: Expenditure	1,32,76,332.61	1,72,08,861.33
Profit/(Loss) Before tax	(2,19,835.75)	(7,55,691.28)
Provision for Deferred Tax	2,65,599.00	(52,226.00)
Profit/(Loss) after tax & before extra-ordinary items.	45,763.25	(8,07,917.28)
Extra-Ordinary Items	(5,41,17,220.00)	-
Profit/(Loss) after tax	(5,40,71,456.75)	(8,07,917.28)
Add: Balance b/f	5,60,96,807.70	5,69,04,724.98
<b>Amount available for appropriation</b>	<b>20,25,350.95</b>	<b>5,60,96,807.70</b>
<b>Appropriations:</b>		
Previous year tax adjustments	13,920.00	-
Balance carried to Balance Sheet	20,39,270.95	5,60,96,807.70

#### DIVIDEND:

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

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### 1) Overview: -

Your Company is into the business of software application development, and undertakes Business Process Outsourcing (BPO) & Medical Transcription jobs on a contract basis, which comes under the IT enabled services (ITES).

##### 2) Industry Structure & Development: -

The year 2002-2003 was a mix of recessive global trends, with occasional signs of recovery. As the worldwide economy gave indications of limping back to some measure of normalcy during the second half of the year, the Indian Software sector began to witness a gradual increase in momentum.

According to the NASSCOM-McKinsey Study 2002, the said report reaffirmed the aspirations of the Indian Software sector, as stated in its 1999 report, but with some changes in the growth composition. ITES-BPO growth is expected to be higher, while growth in the domestic market would be lower.

The ITES-BPO market has witnessed high growth in the past two years, emerging as a significant revenue generating area for India's software and services companies.

The EXIM policy for the year 2003-04 was announced on March 31, 2003, and it has aptly recognized the contribution of the Indian software industry. The EXIM Policy states that while total export growth rate in the period April 2002 to February 2003 was 18.8% in rupee terms, the software sector has grown by 28% in rupee terms in the same period.

This year's EXIM policy has introduced the scheme for the promotion of exports of services and has done away with few procedural deterrents that were hampering Indian Software companies conducting work in cutting edge areas such as embedded software.

##### 3) Opportunity & Threats: -

As provided in the NASSCOM-McKinsey Study Report 2002, the main emphasis has shifted to ITES-BPO, as countries like US, UK and other advanced countries find it more viable to outsource their work rather than executing the same at their end. The reasons for the above trend is on account of various factors, prominent amongst which being low employee cost, good infrastructure for IT and IT enabled services (ITES), reduction in set-up cost etc.

The software development business, which thrived on its source of income from Companies who were in need of developing a software package for their various organizational needs has been on a lower side, as these companies have realized the importance of job-outsourcing as a viable way of getting their work accomplished and that too at a minimal cost. Presently, your Company has executed some BPO contracts, and is working vigorously to develop and expand the same.

ITES-BPO being a labour intensive work requires a good number of qualified employees to do the same, because of which the administrative expense of the company might go up. Your Company is trying continuously to reduce the administrative cost by adopting various internal measures to curb unwanted expenses, but side by side to hire and retain the best hands in ITES-BPO industry.

Your Company is also exploring possibilities to overcome the above-mentioned recession, which has plagued the Indian software development business.

##### 4) Risks & Concerns: -

Your Company is in such an industry, which is dependent on the economical situation in the US, which accounts for a lion's share of the ITES market. This apart, proliferation of players in this segment, alongwith-increased pressure on pricing and margins also poses a significant risk. Your Company has no financial risk of carrying on the day-to-day business. Your Company does not face any risk of breach of contractual liability, or litigations of any sort.

##### 5) 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 as compared to the last year figures, there was a downfall in the Income from IT Services to the tune of 15.99%, but also simultaneously on account of cost reduction measures adopted by the Company, it





## 9th Annual Report 2002-2003

was able to keep down its overall expenditure, and the same were brought down from Rs. 1,72,08,861.33 as at 31.03.2002, to Rs. 1,32,76,332.61 as at 31.03.2003, which means an overall reduction by 22.85%.

For the year ended 31 March 2003, the Earnings Per Share (EPS) before considering extra-ordinary items comes to Re.0.01 per share as compared to Re. (0.16) for the last year.

During the year under review there were additions made to the Fixed Assets to the tune of Rs. 2,41,003.69/-

### 6) 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.

### 7) 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.

### 8) 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:

As required under section 212 of the Companies Act, 1956, the Annual Report for the Financial Year 2002-2003 along with the Accounts for the year ended 31st March 2003 of the subsidiary company, namely, Mykindasite International Private Limited are attached herewith.

### 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.71,48,551/-
Foreign Exchange Outgo	Rs.45,83,149/-

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Robert

Pavrey retires by rotation and being eligible, offers himself for reappointment.

Mr. Manoharlal Manchandani, who was appointed as a Director in place of Mr. Vijay Doshi, will hold office upto the ensuing Annual General Meeting. Necessary resolution will be placed before the forthcoming Annual General meeting for appointment of Mr. Manchandani as a Director of the Company.

Mr. Vijay Doshi resigned from the Board of your Company w.e.f. April 10, 2003. Your Directors wish to place on record their appreciation of the services rendered by him during his tenure as a Director and member of the Audit Committee.

### 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 31st March 2003, 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 judgements 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 31st March, 2003 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 31st March, 2003 have been prepared on a going concern basis.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

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 : 31st May 2003

## OMEGA INTERACTIVE TECHNOLOGIES LIMITED



## Annexure I

## Corporate Governance Report

The recommendations of the Kumar Mangalam Birla Committee on Corporate Governance, appointed by The Securities & Exchange Board of India (SEBI), were accepted by SEBI in December 1999 and are now been enshrined in Clause 49 of the Listing Agreement of all the Stock Exchanges in India.

## Company's Philosophy on Code of Governance

Omega Interactive Technologies Limited (OITL) has always tried to maintain the highest standards of corporate governance and the same has been an integral part of the Company's core values. We have a Board that is fully aware of its fiduciary responsibilities towards the government, the shareholders, various regulatory authorities, as appointed by the Government of India, and the society. We at OITL consider ourselves as the trustees of our shareholders.

## A. Board Composition

## 1. Size and Composition of the Board

The current policy is to have 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. To ensure independence of the Board, the Audit Committee that was constituted on May 28, 2001 was re-constituted on January 13, 2003, and on May 7, 2003. The Share Transfer-cum-Shareholder Investors Grievance Committee consists of 3 (three) members. Table I gives the composition of OITL's Board, and the number of outside directorships held by each of the Directors.

Table I: Composition of the Board, and external directorships held during FY 2002-2003.

Name of Directors*	Position	Relationship with other Directors	Directorships held as on March 31, 2003 (excluding foreign and private companies)	Committee membership in all Companies	Chairmanship in Committees in which they are members
George Thomas	Chairman & Managing Director	None	1	2	0
Dharam Vakharia	Whole-time Director	None	1	2	1
Vidur Raj Bhalla+	Independent Director	None	0	1	0
Angleen Malik++	Alternate Director to Vidur Raj Bhalla	None			
Robert Pavrey	Independent Director	None	3+++	5	2
Vijay Doshi++++	Independent Director	None	1	1	0

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

++ Angleen Malik resigned as Alternate Director to Vidur Raj Bhalla w.e.f. December 17, 2002.

+++ Apart from the above companies, he is an Alternate Director in two (2) companies.

++++ Mr. Vijay Doshi resigned from the Board of the Company w.e.f. April 10, 2003.

+++++ Mr. Manohar Lal Manchandani was co-opted on the Board of the Company w.e.f. May 7, 2003.

(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.

year ended 31st March 2003. These were on 31st May 2002, 27th July 2002, 24th October 2002 & 21st January 2003. Table 2 gives the attendance record of the Directors.

Table 2: Number of Board Meetings and the attendance of Directors during FY 2002-2003.

Name of Directors	Number of Board meetings held	Number of Board meetings attended	Whether attended last AGM
George Thomas	4	4	Yes
Dharam Vakharia	4	4	Yes
Vidur Raj Bhalla	4	0	No
Angleen Malik+	3	0	No
Robert Pavrey	4	4	Yes
Vijay Doshi	4	4	No

+ Angleen Malik resigned as Alternate Director to Vidur Raj Bhalla w.e.f. December 17, 2002.

## 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 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 can be held.

There were four (4) Board Meetings held during the financial



## 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, 2003 has been specified in the notes to accounts.

## 4. Particulars of the Director(s) seeking Re-appointment at the ensuing Annual General Meeting pursuant to Clause 49(VI)(A) of the Listing Agreement.

Mr. Robert Pavrey is a Fellow Member of the Institute of Company Secretaries of India, having qualified as such in 1987. Mr. Pavrey is the proprietor of M/s Robert Pavrey & Associates a firm of Company Secretaries. Mr. Pavrey specializes in company law, foreign exchange regulations as well as management and business advisory services. He also holds a Masters Degree in Commerce and a Bachelors Degree in Law, both from the Mumbai University.

Mr. Pavrey is on the Board of the following Companies:

### 1. As Director:

Adept Financial & Consultancy Services (P) Ltd.  
Cafes Sports India (P) Ltd.  
Catalyst Infotech (P) Ltd.  
Choice International Ltd.  
Mykindasite International (P) Ltd.  
Neilsoft Ltd.  
Netsophy (P) Ltd.  
Sports Franchising India (P) Ltd.

### 2. As Alternate Director:

Grey Worldwide (India) Pvt. Ltd.  
Fitch Ratings India Pvt. Ltd.

Out of the above companies, he is a member of the following committees:

### a. Audit Committee:

Mykindasite International (P) Ltd.  
Omega Interactive Technologies Ltd (As Chairman)

### b. Shareholder Grievance Committee:

Choice International Ltd.(As Chairman)  
Omega Interactive Technologies Ltd (As. Chairman)

## C. Board Committees

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

The Audit Committee consists of three (3) members, all non-executive directors, and the majority of them been independent. The Share Transfer-cum-Shareholder/Investors Grievances Committee consists of three (3) members with the Chairman been an independent director.

## (1) Audit Committee:

Clause 49 of the Listing Agreement makes it mandatory for the companies to adopt an appropriate Audit Committee charter. In the Board Meeting of the Company held on May 28, 2001, the Audit Committee was constituted in consonance with the provisions of Section 292A of the Companies Act. The Audit Committee was re-constituted on October 18, 2001 by noting the resignation of one of the member of the committee and by co-opting another member on the said committee. The audit committee was once again re-constituted on January 13, 2003 in order to, comply with the provisions of clause 49 of the listing agreement and the same was ratified in the Board meeting held on January 21, 2003.

As a result of the resignation tendered by Mr. Vijay Doshi from the directorship of the Company w.e.f April 10, 2003, Mr. Manoharlal Manchandani was appointed as the Director in casual vacancy w.e.f. May 7, 2003 and was accordingly co-opted on the Audit committee of the Company.

The above changes were noted and ratified by the Board in their meeting held on May 31, 2003.

Thus w.e.f. May 7, 2003 the Audit Committee comprises of the following members:

1. Robert Pavrey
2. Vidur Raj Bhalla
3. Manoharlal Manchandani

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 31st March 2003 Four (4) audit committee meetings were held viz. on 31st May 2002, 24th October 2002, 14th January 2003 and 31st March 2003.

Table 3 gives the attendance of the Audit Committee members during the FY 2002-2003.

Name of Members	Number of Audit Committee meetings held	Number of Audit Committee meetings attended
George Thomas	4	2*
Dharam Vakharia	4	2*
Robert Pavrey	4	4
Vijay Doshi	4	4
Vidur Raj Bhalla	2	1

\* w.e.f. January 13, 2003, in order to bring the audit committee in consonance with the provisions of clause 49 of the listing agreement, both the Executive Directors of the Company voluntarily stepped down from their committee membership, and the said committee was re-constituted by co-opting Vidur Raj Bhalla, as one of the committee member.

\*\* Mr. Manoharlal Manchandani was co-opted as a coramittee member w.e.f May 7 2003.



**OMEGA INTERACTIVE TECHNOLOGIES LIMITED**

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, 2004 and that the necessary resolution be placed before the shareholders for their approval.

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

The Share Transfer Committee was reconstituted and renamed as Share Transfer cum Shareholders/Investors Grievances Committee w.e.f. March 30, 2003.

The role of the Committee is to look into the process of affecting a speedy transfer of shares of the Company and also to look into any Investor/Shareholders Grievances and to resolve the same. The committee comprises of 3 (three) members, namely:

Robert Pavrey (Chairman)  
Dharam Vakharia  
George Thomas

The Company Secretary acts as the Compliance Officer, and 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.

The committee normally meets on a fortnightly basis or on such occasions as the need may arise.

## 3. Remuneration Committee:

The Company does not have a Remuneration Committee. The Board and the members in the General Meeting had approved the remuneration payable to the Managing Director/Executive Director. The details of which has been specified in the notes to account.

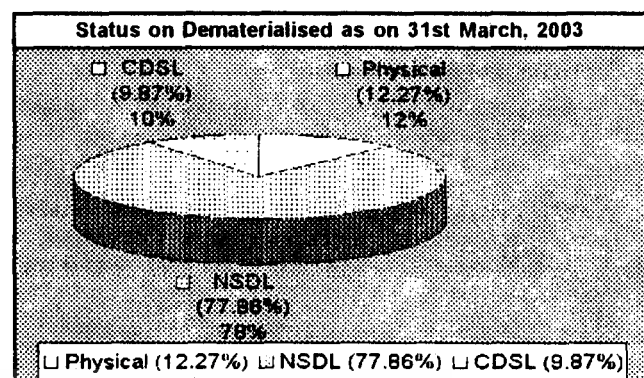
## 11 Share Transfer System:

All the transfers received are processed by the Registrar and Transfer Agents and are approved by the Share Transfer-cum-Shareholder/Investor Grievances Committee, which normally meets twice in a month or more depending upon the volume of transfers. Share transfers are registered and returned within maximum of 21 days from the date of receipt, if the documents are clear in all respects.

## 12. Dematerialisation of Shares:

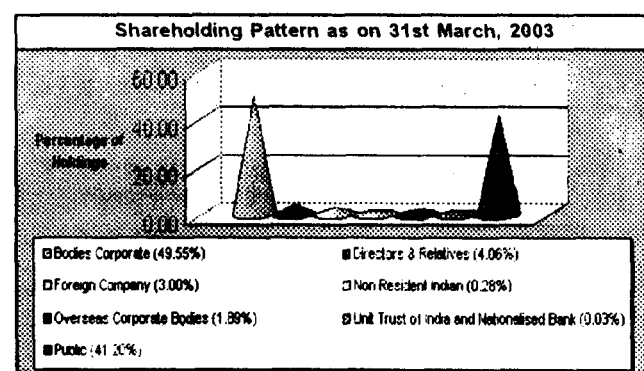
87.73% of the paid-up capital has been dematerialized as on 31.03.2003. The details of which are as follows:

Particulars	No. of Shares	Share Capital (Rs)
<b>Demat</b>		
NSDL	3892986	
CDSL	493304	43,86,290
		4,38,62,900
<b>Physical</b>	6,13,710	61,37,100
<b>Total paid up capital</b>	<b>50,00,000</b>	<b>5,00,00,000</b>



## 13. Share holding Pattern as on 31.3.2003

	% age to the total paid up capital
Bodies Corporate	49.55
Directors & Relatives	4.06
Foreign Company	3.00
Non Resident Indian	0.28
Overseas Corporate Bodies	1.89
Unit Trust of India and Nationalised Bank	0.03
Public	41.20
<b>Total Paid up Capital in % age</b>	<b>100.00</b>





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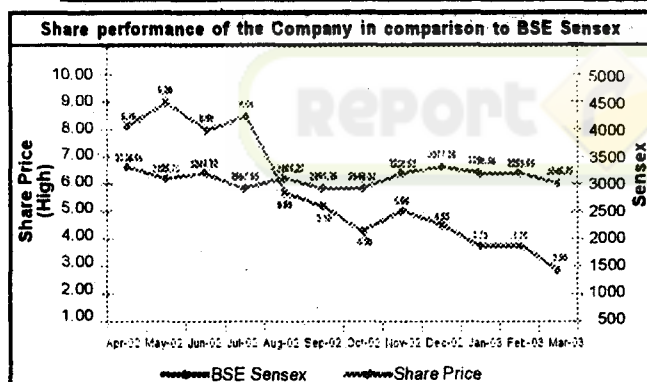
### 14. SHARE PERFORMANCE OF THE COMPANY IN COMPARISON TO BSE SENSEX

#### A. OITL's RATE ON BSE DURING THE PERIOD APRIL 2002 TO MARCH 2003.

Period	High (Rs)	Low (Rs)	Period	High (Rs)	Low (Rs)
April 2002	8.10	6.15	October 2002	4.30	2.45
May 2002	9.00	6.00	November 2002	5.00	2.60
June 2002	8.00	5.50	December 2002	4.55	2.75
July 2002	8.50	5.05	January 2003	3.75	2.25
August 2002	5.65	3.75	February 2003	3.75	1.85
September 2002	5.10	3.40	March 2003	2.95	1.55

#### B. BSE SENSEX DURING THE PERIOD APRIL 2002 TO MARCH 2003.

Period	BSE Sensex (Rs)	Period	BSE Sensex (Rs)
April 2002	3338.16	October 2002	2949.32
May 2002	3125.73	November 2002	3228.82
June 2002	3244.70	December 2002	3377.28
July 2002	2987.65	January 2003	3250.38
August 2002	3181.23	February 2003	3283.66
September 2002	2991.36	March 2003	3048.72



### 15. DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2003

SHAREHOLDING OF NOMINAL VALUE OF RS.	SHARE- HOLDERS RS.	%AGE OF TOTAL	SHARE AMOUNT RS.	%AGE TO EQUITY
UPTO 2500	3022	68.93	3,641,900	7.28
2501 - 5000	667	15.21	2,674,720	5.35
5001 - 10000	314	7.16	2,605,530	5.21
10001 - 20000	173	3.95	2,564,510	5.13
20001 - 30000	73	1.67	1,807,400	3.61
30001 - 40000	28	0.64	990,700	1.98
40001 - 50000	21	0.48	975,220	1.95
50001 - 100000	46	1.05	3,230,890	6.46
100001 & Above	40	0.91	31,509,130	63.02
<b>TOTAL :</b>	<b>4384</b>	<b>100.00</b>	<b>50,000,000</b>	<b>100.00</b>

### D. Means of Communication

The quarterly and half-yearly results are published in widely circulating national and local dailies as required under the Listing Agreement. The same are also faxed to The Stock Exchange-Mumbai.

The Company's results and official news releases are displayed on the Company's web site. The Company's web site address is <http://www.oitlindia.com>.

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.

### E. General Body Meetings:

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

Year	Type	Date	Venue	Time
2002	AGM	09.08.2002	Ajanta House, 35, Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059.	11.00 a.m.
2001	AGM	09.08.2001	Ajanta House, 35, Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059.	11.00 a.m.
2000	AGM	09.08.2000	Ground Floor, Ajanta House, 35, Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (E), Mumbai - 400 059.	11.00 a.m.

### Annexure 'I A'

Sr. No.	Directors Details
1	Directors Name Mr. George Thomas
2	Post Held Chairman & Managing Director
3	Work Experience Mr. George Thomas is a postgraduate in Business Management with specialization in Finance, with experience of 20 years.