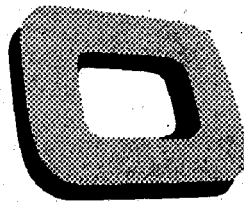


# **Annual Report 2003 - 2004**

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**OMEGA**  

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**INTERACTIVE**  
TECHNOLOGIES LIMITED



## OMEGA INTERACTIVE TECHNOLOGIES LIMITED

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### BOARD OF DIRECTORS

*Chairman & Managing Director*

**George Thomas**

*Executive Director*

**Dharam Vakharia**

*Directors*

**Vidur Raj Bhalla**

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

**Robert Pavrey** (resigned w.e.f. 24.03.2004)

**Manoharlal Manchandani**

**Devraj Shetty** (appointed w.e.f. 29.04.2004)

*Company Secretary*

**Sandeep V. Walawalkar**

### 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 (E), Mumbai-400 059

### REGISTRAR & TRANSFER AGENT

#### INTIME SPECTRUM REGISTRY LIMITED

C-13 Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (w),  
Mumbai-400 078  
Tel. No. : (91-22)-5555 5454  
Fax.No. : (91-22)-5555 5353

#### INTIME SPECTRUM REGISTRY LIMITED

(Collection Centre)  
203, Dayer House,  
197/199, D.N.Road,  
Fort, Mumbai-400 001  
Tel.No.: (91-22)- 2269 4127



## NOTICE

**NOTICE** is hereby given that the **Tenth Annual General Meeting** of the members of **Omega Interactive Technologies Limited** will be held on Wednesday, July 7, 2004 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, 2004, 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. Vidur Raj Bhalla, 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. Devraj Shetty 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. Robert Pavrey 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** after Article 102 of the Articles of Association of the Company, the following be added as Article 102A;

102A -The Company may pass resolution by Postal Ballot in the manner prescribed by section 192A of the Companies Act, 1956 ("the Act") and such other applicable provisions of the Act and any future amendments or re-enactments. Notwithstanding anything contained in the provisions of the Act, the Company, being a listed Company shall in the case of resolution relating to such business, as the Central Government or such other authorities may by notification, declare to be conducted only by a Postal Ballot, get such resolution passed by means of a postal ballot instead of transacting the business in a general meeting of the Company.

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

**"RESOLVED THAT,** pursuant to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including, and statutory modification or re-enactment

thereof) and subject to such other approvals as may be required (if any), the consent of the Company be and is hereby accorded to the re-appointment of Mr. George Thomas as Managing Director of the Company for a period of five years w.e.f. 1st August, 2004 on such remuneration and terms and conditions, as set out in the Explanatory Statement appended to the Notice convening this General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT,** pursuant to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including and statutory modification or re-enactment thereof) and subject to such other approvals as may be required (if any), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Dharam Vakharia as Executive Director of the Company for a period of five years w.e.f. 1st August, 2004 on such remuneration and terms and conditions, as set out in the Explanatory Statement appended to the Notice convening this General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

**Sandeep V. Walawalkar**  
Company Secretary

Place : Mumbai  
Date : 12th June, 2004

### 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 & 7 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from July 5, 2004 to July 7, 2004, both days inclusive.
4. Members/Proxies should bring the attendance slips duly completed for attending the Meeting.
5. 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.



## OMEGA INTERACTIVE TECHNOLOGIES LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 4

In the vacancy caused by the resignation of Mr. Robert Pavrey, a Director liable to retire by rotation, the Board of Directors ("the Board") vide a circular resolution dated April 29, 2004, which was ratified in their meeting held on May 7, 2004 appointed Mr. Devraj Shetty as a Director of the Company. Under Section 262 of the Companies Act, 1956, Mr. Shetty holds office only upto the date upto which Mr. Robert Pavrey, in whose place he was appointed, would have held office, namely, till the date of the Tenth 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. Shetty as a candidate for the office of Director.

Mr. Shetty is an IIM-Bangalore Graduate & has an experience of almost 18 years in financial & software industry. Your Directors feels that the Company will gain from the knowledge, skill and experience of Mr. Shetty, and therefore, recommend his appointment.

Apart from being on the Board of Omega Interactive Technologies Limited, Mr. Shetty is on the Board of Mykindasite International Private Limited (100 % subsidiary of the Company).

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

#### ITEM NO.5

The existing Articles of Association of the Company does not provide for passing a resolution by Postal Ballot. The Companies (Amendment) Act, 2000 has inserted a new section 192A making it mandatory for passing resolution by postal ballot relating to such business as the Central Government may by notification specify so also the Listing Agreement with the Stock Exchange. The proposed addition of Article 102A of the Articles of Association of the Company is to give effect to the aforesaid requirements.

Directors commend the resolution for your acceptance. No Director is interested in the resolution except to the extent of the shareholding.

#### ITEM NO. 6

Mr. George Thomas, aged 42 years, is an MBA-Finance and has wide experience in Business Services and IT Industry. He is actively involved in day-to-day affairs of the Company since 24.03.1994.

Mr. George Thomas was last appointed as Managing Director of the Company for a term of five years, which expires on July 31, 2004. The Board has in its meeting held on June 12, 2004, re-appointed him for a further period of five years w.e.f August 1, 2004. The remuneration payable to Mr. Thomas, on the recommendation of Remuneration Committee, would be as follows:

- Salary:** Rs. 50,000/- per month, plus yearly increments, as may be decided by the Board from time to time.
- Perquisites and Allowances:** 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.
- Provident Fund:** To the extent not taxable under the Income Tax Act, 1961.
- Gratuity:** Half month's salary for each completed year of service.

In addition to the above, Mr. Thomas shall be provided with car and telephone at his residence, the maintenance and running expenses of which shall be borne by the Company. The use of Company's car and telephone for office purpose shall not treated as perquisites.

The agreement (if any) to be entered into between the Company and Mr. Thomas, for his re-appointment, as Managing Director of the Company will be available for inspection at the Registered Office of the Company from 10.00 a.m. to 12.00 noon on all working days except Saturdays, Sundays, and Public Holidays.

Except Mr. Thomas, no other Director may be deemed to be concerned or interested in the said appointment.

The above may also be considered as an extract of the terms of the contract as required under section 302(1) of the Companies Act, 1956.

#### ITEM NO. 7

Mr. Dharam Vakharia, aged 40 years, is an MBA-Marketing and has wide experience in Business Services and IT Industry. He is actively involved in day-to-day affairs of the Company since 24.03.1994.

Mr. Vakharia was last appointed as Executive Director of the Company for a term of five years, which expires on July 31, 2004. The Board has in its meeting held on June 12, 2004, re-appointed him for a further period of five years w.e.f August 1, 2004. The remuneration payable to Mr. Vakharia, on the recommendation of Remuneration Committee, would be as follows:

- Salary:** Rs. 50,000/- per month, plus yearly increments, as may be decided by the Board from time to time.
- Perquisites and Allowances:** 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.
- Provident Fund:** To the extent not taxable under the Income Tax Act, 1961.
- Gratuity:** Half month's salary for each completed year of service.

In addition to the above, Mr. Vakharia shall be provided with car and telephone at his residence, the maintenance and running expenses of which shall be borne by the Company. The use of Company's car and telephone for office purpose shall not treated as perquisites.

The agreement (if any) to be entered into between the Company and Mr. Vakharia, for his re-appointment, as Executive Director of the Company will be available for inspection at the Registered Office of the Company from 10.00 a.m. to 12.00 noon on all working days except Saturdays, Sundays, and Public Holidays.

Except Mr. Vakharia, no other Director may be deemed to be concerned or interested in the said appointment.

The above may also be considered as an extract of the terms of the contract as required under section 302(1) of the Companies Act, 1956.

By Order of the Board of Directors

**Sandeep V. Walawalkar**  
Company Secretary

Place : Mumbai  
Date : 12th June, 2004



## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors herewith present the Tenth Annual Report of your Company together with the audited Balance Sheet as at 31st March 2004, the Profit and Loss Account and Cash Flow Statement for the year ended on that date.

### FINANCIAL RESULTS:

Particulars	Year-ended 31.03.2004	Year-ended 31.03.2003
A. Income from IT Services:		
a) Export	18,84,492.00	71,48,551.00
b) Domestic	5,72,360.00	3,66,080.00
B. Financial Income	4,15,495.26	55,41,865.86
C. Other income	-	-
<b>TOTAL INCOME (A+B+C)</b>	<b>28,72,347.26</b>	<b>1,30,56,496.86</b>
Less: Expenditure	1,05,20,373.86	1,32,76,332.61
Profit/(Loss) Before tax	(76,48,026.60)	(2,19,835.75)
Provision for Deferred Tax	(2,13,373.00)	2,65,599.00
Provision for Taxation (short provision for earlier years)	(49,50,136.00)	-
Profit/(Loss) after tax & before extra-ordinary items.	(1,28,11,535.60)	45,763.25
Extra-Ordinary items	-	(5,41,17,220.00)
Profit/(Loss) after tax	(1,28,11,535.60)	(5,40,71,456.75)
Add: Balance b/f	20,39,270.95	5,60,96,807.70
<b>Amount available for appropriation</b>	<b>(1,07,72,264.65)</b>	<b>20,25,350.95</b>
<b>Appropriations:</b>		
Previous year tax adjustments	-	13,920.00
Balance carried to Balance Sheet	(1,07,72,264.65)	20,39,270.95

### 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 Medical Transcription jobs on an outsourced basis. Very recently your Company has ventured into a new but related activity namely Document Management Systems-DMS.

#### Industry Structure & Development: -

Outsourcing in 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.

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. NASSCOM is seized of this and some initiatives have been taken to help SME's to get a foothold in the outsourcing market.

However, it will be quiet sometime before concrete gains accrue to the small and medium sized outsourcing service providers. This apart the anti-outsourcing cry within the US could also prove to be a major obstacle in this regard, especially with respect to third party service providers.

There has also been a great concern shown by the outsourcing companies in respect of confidentiality of the data, and it is thereby proposed to put into place a Data Protection Act. This act will provide legal safeguards and ensure that data are not accessible to third parties or to unauthorized persons under any circumstances. This move will provide a strong impetus to customers who outsource their processes for getting it done in India.

#### Opportunity & Threats: -

Under the ITES-BPO segment, there is an opportunity in revenue accounting and processing functionalities. Further, the Company foresees opportunities in the Document Management System (DMS) segment. Document Management System includes performing needs analysis, creating hardware and software requirements, designing best practices for document conversion and storage, creating schedules and requirements for back file conversion, and designing and arranging for off-site services as needed.

Very recently, your Company has signed up with two leading document management solution companies based in the US. Your Company will now be marketing their suite of document management and storage software as value added resellers. Your management foresees good opportunity for the Company in the above fields and has vigorously taken steps to market in India the software products of the above two companies. There are few players in the DMS field and might pose some competition to the Company with increased pressure on pricing and margins.

#### 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. Additionally, a lion's share of the business emanates from the US, where the anti-outsourcing work has gathered momentum, and could pose serious obstacles. Further, in case of DMS since your Company has just entered the market, it might take some time to gauge the market requirements, and provide the necessary client-specific outputs. Since this being the first year for the Company in the new field, your Company might at best be earning operational incomes at break-even point. Your Company has no financial risk of carrying on the day-to-day business. 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, and as compared to the last year figures, there was a overall downfall in the Income from IT Services to the tune of 67.30% the prime reasons for such a downfall being termination of some Medical Transcription projects, because of the anti-outsourcing laws passed by the US Congress. The staff cost of the Company has reduced by 51% because of downsizing in number and salary of employees. With a view to garnering further business, the Company had participated in the World Outsourcing Summit at New York in August/September 2003. The Company had taken a stall at the 3 day seminar-cum-exhibition and the Managing Director was one of the participants making a presentation on outsourcing. Additionally, the Company has signed two (2) agreements with two leading US based companies to sell their range of document management products in India. Both these exercises involved expenditure on marketing, travelling and





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advertising fronts. Consequently, there has been an increase in the sales and administrative costs.

For the year ended 31 March 2004, the Earnings Per Share (EPS) after taxation comes to Rs. (2.56) per share as compared to previous year figure of Re. 0.01.

During the year under review there were additions made to the Fixed Assets to the tune of Rs. 1,29,577.04.

### 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 2003-2004 also includes the Accounts for the year ended 31st March 2004 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. 18,84,492/-
Foreign Exchange Outgo	Rs. 27,94,876/-

### DIRECTORS:

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

Mr. Devraj Shetty, who was appointed as a Director in place of Mr. Robert Pavrey, will hold office upto the ensuing Annual General Meeting. Necessary resolution will be placed before the forthcoming Annual General meeting for appointment of Mr. Shetty as a Director of the Company.

Mr. Robert Pavrey resigned from the Board of your Company w.e.f. March 24, 2004. 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.

The term & period of appointment of Mr. George Thomas- Managing Director & Mr. Dharam Vakharia- Executive Director of the Company expires on July 31, 2004. Your directors proposes to re-appoint the above two directors for a further period of five (5) years, subject to the consent of the shareholders in the general meeting. Necessary resolution will be placed before the forthcoming Annual General meeting for the re- appointment of above two directors as the Managing Director and Executive Director respectively of the Company.

### 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 2004, 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 31st March, 2004 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, 2004 have been prepared on a going concern basis.

### CORPORATE GOVERNANCE:

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

Affirmation with the compliance of the code of conduct, and whistleblower policy forms part of the annual report, and is annexed therewith.

The CEO/CFO certification as per the requirements of clause 49-VIII also forms part of the annual report.

### 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 : 7th May, 2004



## 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 2003-2004.

Name of Directors'	Position	Relationship with other Directors	Directorships held as on March 31, 2004 (excluding foreign and independent private companies)	Committee membership in all Companies	Chairmanship in Committees in which they are members
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
Robert Pavrey++	Independent Director	None	NA	NA	NA
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.

++ Robert Pavrey resigned as Director w.e.f. March 24, 2004.

+++ Mr. Devraj Shetty was co-opted on the Board of the Company w.e.f. April 29, 2004.

(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 31st March 2004. These were on 31st May 2003, 31st July 2003, 24th October 2003 & 30th January 2004. Table 2 gives the attendance record of the Directors.

Table 2: Number of Board Meetings and the attendance of Directors during FY 2003-2004

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
Robert Pavrey++	4	4	Yes
Manoharlal Manchandani	4	4	Yes

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

++ Robert Pavrey resigned as Director w.e.f. March 24, 2004.

##### 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.



## OMEGA INTERACTIVE TECHNOLOGIES LIMITED

### 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, 2004 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 Clause 49(VII)(F) of the Listing Agreement

Mr. Vidur Raj Bhalla is seeking for re-appointment at the ensuing 10th annual general meeting of the Company, and as per the requirements of clause 49(VII)(F) of the listing, agreement, entered into with the Stock Exchange-Mumbai, has done his Masters in Business Administration in Finance (MBA-Finance). Mr. Bhalla is also a Chartered Financial Analyst by qualification, and presently is an associate at M/s Bernard Herold & Co. Inc., USA, specializing in areas such as financial planning and management, asset management etc; with an overall experience of around 18 years.

Mr. Bhalla is not on the Board of any companies.

Mr. Devraj Shetty an alumni of IIM Bangalore, is a business and management consultant by profession with a widespread experience in business advisory and consultancy of almost 18 years. Mr. Shetty was appointed as director in casual vacancy caused by the resignation tendered by Mr. Robert Pavrey. Mr. Shetty holds office until the commencement of the ensuing 10th annual general meeting, and being eligible offers himself for appointment.

Mr. Shetty is on the Board of following companies:

1. Mykindasite International Private Limited

#### **Committee memberships**

##### Audit Committee:

- a) Omega Interactive Technologies Limited
- b) Mykindasite International Private Limited (Chairman)

##### Remuneration Committee:

- a) Omega Interactive Technologies Limited
- b) Mykindasite International Private Limited (Chairman)

##### Share Transfer-cum-Shareholder/Investors Grievances Committee:

- a) Omega Interactive Technologies Limited

### C. Board Committees

Currently, the Board has three (3) committees, namely the Audit Committee, Share Transfer-cum-Shareholder/Investors Grievances Committee, and the Remuneration Committee.

The Audit Committee and the Remuneration Committee consists of three (3) members each, 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:

As a result of the resignation tendered by Mr. Robert Pavrey w.e.f March, 24 2004 from the directorship of the Company, Mr. Devraj Shetty was appointed w.e.f. April 29, 2004 as the Director in casual vacancy 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 7, 2004.

Thus w.e.f. April 29, 2004 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 31st March 2004 Five (5) audit committee meetings were held viz. on 31st May 2003, 30th July, 2003, 24th October 2003, 30th January 2004 and 22nd March 2004.

Table 3 gives the attendance of the Audit Committee members during the FY 2003-2004.

Name of Members	Number of Audit Committee meetings held	Number of Audit Committee meetings attended
Robert Pavrey	5	5
Manoharlal Manchandani	5	5
Vidur Raj Bhalla	5	None

\*\* Mr. Shetty was co-opted as a committee member w.e.f April 29, 2004.

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, 2005 and that the necessary resolution be placed before the shareholders for their approval.

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

In order to expedite the share transfer process the board of directors in their meeting held on October 24, 2003 duly authorized the share transfer agents of the Company namely M/s Intime Spectrum Registry Limited, Mumbai 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:

1. Manoharlal Manchandani - Chairman
2. Dharam Vakharia
3. 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.

### 3. Remuneration Committee:

At the Board meeting held on January 30, 2004, a remuneration committee has been put into place, which was re-constituted on May 7, 2004, whereby Mr. Devraj Shetty was co-opted on the said committee. The responsibility of the committee is to look into the remuneration aspect of all executive directors. The committee shall comprise of all non-executive independent directors the Remuneration Committee comprises of the following members:

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

### D. Shareholders' Information

ISIN No.	INE113B01011
BSE Code	511644
Listing on Stock Exchange	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
Status of Listing Fees	Paid to the above Stock Exchange for 2004-2005
Share Transfer Agent	Intime Spectrum Registry Ltd, C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (w), Mumbai-400 078
Share Transfer Agent (Collection Centre)	203, Daver House, 197/199, D.N.Road, Fort, Mumbai-400 001
Compliance Officer	Sandeep V. Walawalkar- Company Secretary  Ajanta House, 35 Marol Co-op Indl. Estate, M.V.Road, Andheri (e), Mumbai-400 059

#### Dematerialization of Shares:

88.47% of the paid-up capital has been dematerialized as on 31.03.2004. The details of which are as follows:

Particulars	No. of Shares	Share Capital (Rs)
<b>Demat</b>		
NSDL	38,45,400	
CDSL	5,78,189	44,23,589
<b>Physical</b>	5,76,411	57,64,110
<b>Total paid up capital</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

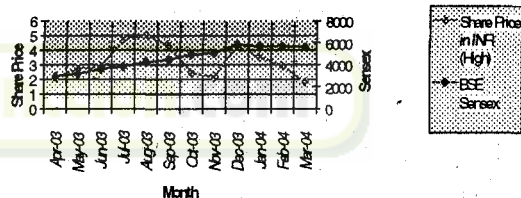
Share holding Pattern as on 31.3.2004

Particulars	% age to the total paid up capital
Bodies Corporate	46.53
Directors & Relatives	4.10
Foreign Company	3.00
Non Resident Indian	0.31
Overseas Corporate Bodies	1.90
Unit Trust of India and Nationalized Bank	0.03
Public	44.13
<b>Total Paid up Capital in % age</b>	<b>100.00</b>

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

Period	High (Rs)	Low (Rs)	BSE Sensex	Period	High (Rs)	Low (Rs)	BSE Sensex
April 2003	2.10	1.40	2959.79	October 2003	2.45	1.40	4906.87
May 2003	2.75	1.35	3180.75	November 2003	2.16	1.18	5044.82
June 2003	2.85	2.25	3607.13	December 2003	4.25	1.25	5838.96
July 2003	4.74	2.50	3792.61	January 2004	3.51	2.03	5695.67
August 2003	5.00	2.55	4244.73	February 2004	2.90	1.43	5667.51
September 2003	4.36	1.55	4453.24	March 2004	1.80	0.82	5590.80

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



### DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2004

SHAREHOLDING OF NOMINAL VALUE OF RS.	SHARE- HOLDERS NUMBER	%AGE OF TOTAL	SHARE AMOUNT RS.	%AGE TO EQUITY
UPTO 2500	2804	67.44	33,76,100	6.75
2501 - 5000	633	15.22	25,43,740	5.10
5001 - 10000	314	7.55	26,17,920	5.24
10001 - 20000	186	4.47	27,56,720	5.51
20001 - 30000	74	1.78	18,23,760	3.65
30001 - 40000	30	0.72	10,56,310	2.11
40001 - 50000	22	0.53	10,26,540	2.05
50001 - 100000	49	1.18	34,82,080	6.96
100001 & Above	46	1.11	3,13,16,830	62.63
<b>TOTAL:</b>	<b>4158</b>	<b>100.00</b>	<b>5,00,00,000</b>	<b>100.00</b>

### E. 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>. The financial results, including the shareholding patterns are also displayed on the <http://www.sebi.gov.in> link EDIFAR.



## OMEGA INTERACTIVE TECHNOLOGIES LIMITED

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
2003	AGM	August 06, 2003	Ajanta House, 35 Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (e), Mumbai - 400 059.	11.00 a.m.
2002	AGM	August 09, 2002	Ajanta House, 35 Marol Co-op. Indl. Estate, M.V. Road, Marol, Andheri (e), Mumbai - 400 059.	11.00 a.m.
2001	AGM	August 09, 2001	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	Qualification & Work Experience Mr. George Thomas is a postgraduate in Business Management with specialization in Finance, with experience of around 20 years.

Sr. No.	Directors Details
1	Directors Name Mr. Dharam Vakharia
2	Post Held Executive Director
3	Qualification & Mr. Dharam Vakharia is a postgraduate

Work Experience in Business Management, with specialization in Marketing, and experience of almost 18 years.

Sr. No.	Directors Details
1	Directors Name Mr. Vidur Raj Bhalla
2	Post Held Director
3	Work Experience Mr. Vidur Raj Bhalla has done his M.B.A & C.F.A, and is one of the Chief Advisory Consultant at Bernard Herold and Co., USA

Sr. No.	Directors Details
1	Directors Name Mr. Robert Pavrey
2	Post Held Director, resigned w.e.f. March 24, 2004
3	Work Experience Mr. Robert Pavrey is a Practising Company Secretary by Profession, and by qualification is a postgraduate in Commerce, graduate in law, and a Fellow member of The Institute of Company Secretaries of India.

Sr. No.	Directors Details
1	Directors Name Mr. Manoharlal Manchandani
2	Post Held Director
3	Work Experience Mr. Manchandani is a businessman of repute and has a wide and varied experience of almost 4 decades in the industry.

Sr. No.	Directors Details
1	Directors Name Mr. Devraj Shetty
2	Post Held Director
3	Work Experience Mr. Shetty an alumni of IIM Bangalore, is a business and management consultant by profession with a widespread experience in business advisory and consultancy of almost 18 years.

### AFFIRMATION FOR COMPLIANCE WITH THE PROVISIONS OF CLAUSE 49 (I)(E) OF THE LISTING AGREEMENT (AS AMENDED)

To bring in line the stipulations as contained in clause 49 of the listing agreement (as amended), the Board of Directors of the Company in their meeting held on January 31, 2004, have adopted a 'Code of Conduct for the Board of directors and senior management'.

We the below mentioned signatories state on solemn affirmation that we abide by the clauses of Code of Conduct as adopted by the Board of Directors, and shall manage the organisation in compliance with the same.

### For Omega Interactive Technologies Limited

**George Thomas**  
Chairman & Managing Director

**Dharam Vakharia**  
Executive Director

**Manoharlal Manchandani**  
Director

**Sandeep V. Walawalkar**  
Company Secretary

**Rajiv Kamat**  
Manager-Accounts & Administration

Place : Mumbai  
Date : 7th May, 2004