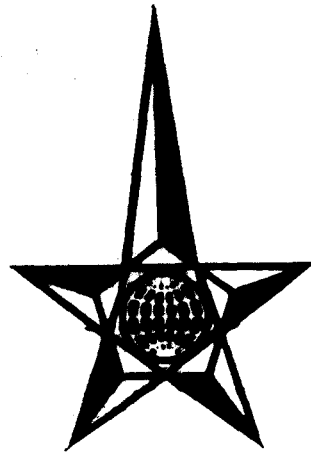


OMNI AX'S SOFTWARE LIMITED



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**Annual Report
2001-2002**

OMNI AX'S SOFTWARE LIMITED

BOARD OF DIRECTORS

Mr. P.G.Senthil
Mr. K.V.Viswanathan
Mr. Jan Schmidtgen
Mr. Maureen Polaszek
Mr. S. Murali
Mr.T.Sundarajan

AUDITORS

M/s. S.Jawahar & Associates
Chartered Accountants,
Kamraj Bhawan
327/328,Poonamallee High Road,
Aminjikaraj,
Chennai-29

BANKERS

Canara Bank
Andhra Bank

REGISTERED OFFICE

#4/2 Old #24-B,
I Floor, 2nd Cross Street,
B.N.Road,
T.Nagar,
Chennai-600017

SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited,
"Subramaniam Building", V Floor
No-1, Club House Road,
Chennai-600002
Tel: (044) 8460390 (5 lines)
E-mail: cameogm@satyam.net.in

OMNI AX'S SOFTWARE LIMITED

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of **Omni Ax's Software Limited** will be held on Saturday, the 30th November, 2002 at 10.00 am at the Kandagaddala Chellapilla Chetty's Charities, New No.41 (Old No.15), Godown Street, Chennai - 600 001 to transact following business:

ORDINARY BUSINESS

01. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
02. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS

03. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Jan Schmidtgen who was appointed as an additional Director at the meeting of the Board of Directors held on 08th October 2002, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice has been received from a member signifying his intention to propose Mr. Jan Schmidtgen, as a candidate for the office of the Director of the Company be and is hereby appointed as a Director of the Company."

04. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Maureen Polaszek who was appointed as an additional Director at the meeting of the Board of Directors held on 08th October 2002, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice has been received from a member signifying his intention to propose Mr. Maureen Polaszek, as a candidate for the office of the Director of the Company be and is hereby appointed as a Director of the Company."

05. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri S.Murali, who was appointed as an additional Director at the meeting of the Board of Directors held on 08th October 2002, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice has been received from a member signifying his intention to propose Shri S.Murali, as a candidate for the office of the Director of the Company be and is hereby appointed as a Director of the Company."

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06. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri T.Sundrajan, who was appointed as an additional Director at the meeting of the Board of Directors held on 08th October 2002, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice has been received from a member signifying his intention to propose Shri T.Sundrajan, as a candidate for the office of the Director of the Company be and is hereby appointed as a Director of the Company."

07. To consider and if thought fit, to pass with or without modifications, the following resolutions as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 16,31 and 94 and other applicable provisions of the Companies Act, 1956, the authorised share capital of the Company be increased from Rs.11,00,00,000(Rupees Eleven Crore Only) divided into 1,10,00,000 Equity Shares of Rs.10 /- each to Rs.20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 equity shares of Rs 10 each."

08. To consider and if thought fit, to pass with or without modifications, the following resolutions as an ordinary resolution:

"RESOLVED THAT the Memorandum of Association of the Company be and is hereby altered as follows:

The existing Clause V of the Memorandum of Association of the company be substituted as follows clause:

V. The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) equity shares of Rs 10 each (Rupees Ten only) each with power to increase or reduce or recognize the share capital in accordance with provisions of the Companies Act, 1956.

09. To consider and if thought fit, to pass with or without modifications, the following resolutions as an Special resolution:

"RESOLVED THAT the Articles of Association of the Company be and is hereby altered as follows:

The existing Clause 2 of the Articles of Association of the company be substituted by the following clause:The Authorised Share Capital of the Company is Rs.20,00,00,000 (RupeesTwenty Crore Only) divided into 2,00,00,000 (Two Crore) equity shares of Rs 10/- (Rupees Ten only) each.

i) the rights attached to each class of shares rights (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of sections 106 and 107 of the Act be varied with the consent in writing of the holders of not less than three fourths of

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the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.

- ii) to every such separate meeting the provisions of these Articles relating to General Meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representation by proxy one-tenth of the issued shares of that class.

10. To Consider and if thought fit, to pass with or without modifications, the following resolutions as Special Resolutions: -

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, and such other Acts (including any statutory modification(s) or re-enactments thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of Association, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and Central Government, Reserve Bank of India or any other authorities or institutions as may be relevant, the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis upto 77,44,760 equity shares of Rs.10/- each fully paid up as under

- a) 25,71,060 equity shares to the shareholders of M/s Millennium E Soft Solutions Private Limited, as a consideration for the acquisition by the company of 100% of the shares of M/s Millennium E Soft Solutions Private Limited at an exchange ratio of three fully paid equity shares of M/s Omni Ax's Software Limited to every holder of one fully paid equity share of M/s Millennium E Soft Solutions Private Limited.
- b) 25,80,800 equity shares to the shareholders of M/s Elan Integrated Systems Private Limited, as a consideration for the acquisition by the company of 100% of the shares of M/s Elan Integrated Systems Private Limited at an exchange ratio of four fully paid equity shares of M/s Omni Ax's Software Limited to every holder of one fully paid equity shares of M/s Elan Integrated Systems Private Limited.
- c) 25,92,900 equity shares to the shareholders of M/s R3 Ventures Private Limited, as a consideration for the acquisition by the company of 100% of the shares of M/s. R3 Ventures Private Limited at an exchange ratio of three fully paid equity shares of M/s. Omni Ax's Software Limited to every holder of one fully paid equity shares of M/s. R3 Ventures Private Limited

Resolved further that the equity shares so issued shall rank pari-passu with the existing equity shares of the company.

Resolved further that for the purpose of giving effect to the above, the Board be and is hereby authorised to agree to make and accept all such condition(s), modification(s) and alteration (s) stipulated by any relevant authorities while according approvals or consents to the issue as may be considered necessary, proper or expedient and to take all actions as may be necessary desirable ore expedient to effect such modification (s) and to resolve and settle all

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questions and difficulties that may arise in the proposed issue and allotment of the shares and to do all the acts, deeds and things in connection therewith and incidental thereto as the Board in their absolute discretion deem fit without being required to seek any further consent or approval of the company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution. As per SEBI guideline the relevant date i.e 30th October 2002 is for the purpose of determining the price at which preferential allotment is to be made.

11. To consider and if thought fit, to pass with or without modifications, the following resolutions as Special Resolution:

Resolved that pursuant to the provisions of section 372A and other applicable provisions, if any of the Companies Act, 1956 and such other Acts, approval of the shareholders of the company be and is hereby accorded for making investment by way of acquisition by the company of 100% of the shares of M/s Millennium E Soft Solutions Private Limited, Elan Integrated Systems Private Limited, R3 Ventures Private Limited and for consideration other than cash, in exchange for the issue and allotment of equity shares of the company on preferential basis.

"FURTHER RESOLVED THAT subject to the approval of the Central Government/ Reserve Bank of India, wherever applicable, the company do invest by way of subscription, purchase or otherwise in the shares or other securities in the following body corporate as wholly owned subsidiary and to give loans, provide security and furnish guarantees in connection with loans made by any other person to, or to any other person by the following body corporate not exceeding the amount shown below:

<u>Name of the Body Corporate</u>	<u>Investment in shares/ Loans/ Securities</u>
Provista. 83 Vermogenverwal-Tungs. AG.	US \$ 2,00,000/-

FURTHER RESOLVED THAT Mr. P.G. Senthil, Managing Director be and is hereby authorized to take necessary and appropriate action for and on behalf of the Company and to do all acts, deeds, things, matter, as may be considered necessary to give effect to this resolution.

**By order of the Board,
For Omni Ax's Software Limited**

**(P.G.Senthil)
Managing Director**

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Notes:

1. 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.
2. The proxy form in order to be effective must be deposited at the Registered office of the company not less than 48 hours before commencement of the meeting.
3. The Register of Members and the Transfer of book in respect of the Equity shares will remain closed from 19th November 2002 to 30th November 2002 both days inclusive.
4. The members' are requested to intimate to the Registrar and Transfer Agents, M/s Cameo Corporate Services Limited #1, Subramaniam Building, Club House Road, Mount Road, Chennai-2, change of address, if any, at the earliest quoting their registered folio number.
5. Equity shares of the Company are in the Depository, set up by National Securities Depository Limited and Central Depositories Services (India) Limited. The shares of the company are in the compulsory dematerialization list specified by SEBI and are traded in the demat mode and the share holders are requested to get their holding dematerialised as early as possible, in their own interest.

EXPLANATORY STATEMENTS

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

ITEM NO.: 3

Mr. Jan Schmidtgen was appointed as an additional director by the Board of Director of the Company effective from 08th October 2002. Pursuant to section 260 of the Companies Act, 1956 he holds office only upto the date of ensuing Annual General Meeting of the company. A notice under section 257 of the Act has been received from a member proposing the appointment of Mr. Jan Schmidtgen as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

Considering his vast experience in administration and knowledge, the Board of Directors recommends his appointment.

ITEM NO.: 4

The Board of Director of the Company effective from 08th October 2002 appointed Mr. Maureen Polaszek as an additional director. Pursuant to section 260 of the Companies Act, 1956 he holds office only up to the date of ensuing Annual General Meeting of the company. A notice under section 257 of the Act has been received from a member proposing the appointment of

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Mr. Maureen Polaszek as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

Considering his vast experience in administration and knowledge, the Board of Directors recommends his appointment.

ITEM NO.: 5

Shri S.Murali was appointed as an additional director by the Board of Director of the Company effective from 08th October 2002, pursuant to section 260 of the Companies Act, 1956 he holds office only upto the date of ensuing Annual General Meeting of the company. A notice under section 257 of the Act has been received from a member proposing the appointment of Shri S.Murali as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

Considering his vast experience in administration and knowledge, the Board of Directors recommends his appointment.

ITEM NO.: 6

Shri T.Sundrajan was appointed as an additional director by the Board of Director of the Company effective from 08th October 2002, pursuant to section 260 of the Companies Act, 1956 he holds office only upto the date of ensuing Annual General Meeting of the company. A notice under section 257 of the Act has been received from a member proposing the appointment of Shri T.Sundrajan as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

Considering his vast experience in administration and knowledge, the Board of Directors recommends his appointment.

ITEM NO: 7

In order to raise resources to meet the increased activities of the Company, the Board may issue Equity Shares from time to time. Therefore, it is necessary to increase the authorised capital of the Company from Rs.11 Crores to Rs.20 Crores. The proposed increase in the capital of the Company would require alterations in the Memorandum and Articles of Association of the Company.

ITEM NO.8 & 9

This resolution is to amend the capital clause in the Memorandum of Association and Articles of Association of the Company, consequent to passing the resolution 7, for increasing the authorized capital of the company.

None of the directors are interested in the resolution.

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ITEM NO: 10

This acquisition will help the company to retain and generate more business from the existing clients. As a company we have very strong clientele list and to serve them even better we require to get into Portal Application Design and Multimedia. Multimedia is one of the fastest growing industries in the world. This acquisition will also increase our prospective clientele. So it is proposed to take over the aforesaid companies as wholly owned subsidiaries by acquiring their entire share capital on swap basis. Acquiring these companies will also leverage the software development business of the company with the help of their current employee strength, and infrastructure. Therefore it is proposed to issue 77,44,760 Equity shares of Rs 10/- each fully paid share on preferential basis to acquire their entire capital under swapping arrangement. The issue is made at a price of Rs10/-, which is fixed as per SEBI Preferential issue guidelines.

Section 81(1) of the Companies Act, 1956 however, provides in Clause (a) that when it is proposed to increase subscribed capital of the Company by allotment of further Shares, such further shares shall be offered to the persons who at the date of the offer are holders of equity shares in the Company, in proportion, as circumstances admit to the capital paid up on those shares at that date. Pursuant to Section 81(1A) of the said Act, notwithstanding anything contained in Section 81(1), the said further shares may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the company in General Meeting.. The proposed special resolution is being moved to comply with the requirements of section 81 and Section 81(1A) of the Companies Act, 1956 in the context of issue and allotment of 77,44,760 shares of the Company.

ITEM NO.11

The company is proposing to make investment, by acquiring 100% of the shares of Millennium E Soft Solutions Private Limited, Elan Integrated Systems Private Limited, R3 Ventures Private Limited for consideration other than cash, in exchange for the issue and allotment of equity shares of the company on preferential basis.

Section 372A of the companies Act, 1956 provides that where the aggregate investments so far made along with the investment proposed to be made exceeds 60% of the paid up share capital and free reserves or 100% of the free reserves, whichever is higher no investment shall be made unless previously authorised by a special resolution passed by the shareholders in a general meeting.

Since the proposed investment along with the investment already made exceeds the prescribed limit approval of the members by way of the special resolution is required. Hence the resolution as stated in notice is placed before the members for their approvals.

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None of the Directors of the company are concerned or interested in above resolution.

Object of the Issue and benefit

Millennium E Soft Solutions Private Limited

The Company has been in the field of information technology and IT enabled service and have developed Custom Portal Application Design Document . The Customer Portal utilizes configuration information, providing users with a method of configuring their environment, allowing their Server logs to be processed by the data center. The basic configuration information includes User information, Domain/Site information, Server information, as well as Client/Company information. The portal also provides users with the ability to enter technical issues with the network, and to track the status of the network..

Now it is proposed to acquire shares at an exchange ratio of three fully paid equity shares of M/s Omni Ax's Software Limited to every holder of one fully paid equity shares of M/s Millennium E Soft Solutions Private Limited. The total paid up capital of M/s Millennium E Soft Solutions Private Limited is Rs 85,70,200/- comprising of 857020 equity shares of Rs 10/- each. As such 25,71,060- fully paid equity shares of Rs10/- each of M/s Omni Ax's Software Limited is allotted to the shareholders of M/s Millennium E Soft Solutions Private Limited

Elan Integrated Systems Private Limited

Elan Integrated Systems Private Limited is a field of designing and development of systems and application software accordance to the requirement of client. The company has now developed two product one Fersha designer Version 2.0 and one more is Applied Magic. Fersha Designer is a 32-bit 3D modeling and design tool for windows NT, windows 95/98. The program has been written to primarily inter face with the persistence of Vision raytracr (POV-Ray version 2.0 & 3.0), there is also support to export to a number of other popular renderers including Pixars's RenderMan (TM). -Applied Magic:- This feature is designed for analog capture, but will work with digital. Allows for recording video for a determined duration and will automatically stop recording. Activate the timer in the record screen by checking the box next to the stopwatch. Enter the desired record duration in the Timer box above. To deactivate this feature, uncheck the box.

Now it is proposed to acquire shares at an exchange ratio of four fully paid equity shares of M/s Omni Ax's Software Limited to every holder of one fully paid equity shares of M/s Elan Integrated Systems Private Limited. The total paid up capital of M/s Elan Integrated Systems Private Limited is Rs 64,52,000/- comprising of 645200 equity shares of Rs 10/- each. As such 25,80,800 fully paid equity shares of 'Rs.10/- each of M/s Omni Ax's Software Limited is allotted to the shareholders of M/s Elan Integrated Systems Private Limited.

R3 Ventures Private Limited

R3 Ventures Private Limited is the field of multimedia and company is in this business and was doing various outsourcing work for various reputed clients. Their experience in field helped them to developed there own product Sculptor Modeling Version 2.0(BS) .BS is a computer