

OMNI AX'S SOFTWARE LIMITED



ANNUAL REPORT

2002-03

OMNI AX'S SOFTWARE LIMITED

OMNI AX'S SOFTWARE LIMITED

BOARD OF DIRECTORS

Shri. P.G. Senthil
(Managing Director)

K. V. Viswanathan

S. Mohan Rajan

A.Ravi Kumar

AUDITORS

C.N. Srinivasan
Chartered Accountant

BANKERS

Andhra Bank,
Sowcarpet Branch,
Chennai-79

REGISTERED OFFICE

Shapre Towers,
39, North Usman Road,
T.Nagar, Chennai-600 017

SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited,
"Subramaniam Building", V Floor,
1, Club House Road, Chennai-600 002.
Phone (044) 28460390 (5 lines)
Fax: (044) 28460129

OMNI AX'S SOFTWARE LIMITED

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of OMNI AX'S SOFTWARE LIMITED will be held on Tuesday, the 30th day of September 2003, at 12.00 Noon at Hotel Palmgrove No.5 Kedambakkam High Road, Nugambakkam, Chennai-34, to transact the following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 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 a director in place of K. V. Viswanathan, who retires by rotation, being eligible offer himself for re-appointment.
03. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting till the 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 ordinary Resolution:

RESOLVED THAT Shri S Mohan Rajan who was appointed as an additional Director at the meeting of the Board of Directors held on 20th August 2003 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 Mohan Rajan, as a candidature 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 ordinary Resolution:

RESOLVED THAT Shri A.Ravi Kumar who was appointed as an additional Director at the meeting of the Board of Directors held on 20th August 2003 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 A.Ravi Kumar, as a candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company.

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

(P.G. Senthil)
MANAGING DIRECTOR

PLACE: CHENNAI
DATE: 30th August 2003

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 26th September 2003, to 30th September 2003 both days inclusive.

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4. The members' are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Consulting Limited, #1, Subramaniam Building, Club House Road, Mount Road, Chennai-600 002, change of address, if any, at the earliest quoting their registered folio number.
5. Members holding Shares in more than one folio in identical order of names are requested to write to R&TA enclosing their Share Certificate to enable us to consolidate their holdings in one folio to facilitate better service.
6. Members seeking any information with regard to accounts or operation are requested to write to the company at an early date so as to enable the management to keep their information readily.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2))

ITEM NO.3

Mr. S. Mohan Rajan who was appointed as additional director by the Board of Director of the company effective from 20th August 2003. 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. S. Mohan Rajanas a Director of the Company, whose period of office shall be liable to determination by retirement by rotation.

Mr.S. Mohan Rajan is a chartered Accountant he is having rich experience in the field of finance & Accounts. The Board recommends that Mr.S.Mohan Rajan may be appointed as Director of the Company.

None of the directors other than Mr. S Mohan Rajan is interested in the resolution.

ITEM NO.4

Mr.A.Ravi Kumar who was appointed as additional director by the Board of Director of the company effective from 20th August 2003. 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.A.Ravi Kumar as a Director of the Company, whose period of office shall be liable to determination by retirement by rotation.

Mr.A. Ravi Kumar is a B.Sc., Graduate and has done B.Arch. He is having more than 4 years of experience in the field of Animation & software development Considering his rich experience the Board recommends that Mr.A.Ravi Kumar may be appoint as a Director of the Company.

None of the directors other than Mr.A.Ravi Kumar is interested in the resolution.

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

(P.G. Senthil)
MANAGING DIRECTOR

PLACE: CHENNAI
DATE: 30th August 2003

OMNI AX'S SOFTWARE LIMITED**DIRECTORS REPORT**

Dear Members,

Yours Directors have great pleasure in presenting the eleventh annual Report of the company with audited accounts for the year ended 31st March 2003.

FINANCIAL RESULTS:

	Year ended 31.03.2003 (in Rs)	Year ended 31.03.2002 (in Rs)
PROFIT BEFORE DEPRECIATION	53,35,512	47,85,290
Less: DEPRECIATION	52,83,514	53,12,752
PROFIT/LOSS BEFORE TAX	51,998	(5,47,462)
Less: PRIOR PERIOD ADJUSTMENTS	7,24,736	0
Less: PROVISION FOR TAX (Current & Deferred)	(1,521,068)	0
PROFIT AFTER TAX	8,48,330	5,47,462

DIVIDEND:

To conserve the reserves and plough back the profits for expansion activities of the company, your Directors do not recommend any dividend for financial year 2002-2003.

MANAGEMENT DISCUSSION AND ANALYSIS**a) Industry Structure And Development:**

There has been considerable growth in global scenario of software industry. The same trend has been observed in India also. The Growth has largely been fuelled by the certain competitive advantages, with regard to the international software business, that is availability of large pool of English speaking technical manpower. As a consequence, Indian has grown at a considerable rate over the past 3 years.

b) Business Performance

The turnover is 226 Lakhs in financial year 2002-2003 against 121 Lakhs in the financial year 2001-2002. Your Directors are hopeful of maintaining and improving the turnover and profit in coming years by strategic business plans.

c) Out Look

The issues remain essentially the same as at last year-end, and with evidence now of a slowdown, both globally and locally, we can expect no favour from the markets in which we operate. In accepting these challenges, we also expect our entire workforce to play their part. The simple fact remains that to improve returns, will require continued focus on productivity's improvements, optimal sourcing and general cost containment.

d) Internal control systems and their adequacy:

The system on of internal control comprises controls established to provide reasonable assurance of safeguarding assets and maintenance of proper accounting records and its accuracy.

The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to security and its adequacy. Reports are prepared and circulated to senior management and action taken to strengthen controls where necessary.

e) Human Resources and Industrial relations:

Your company continued to have cordial relations with its employees

DEPOSITS:

The Company has not accepted any deposit from the public.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Companies Articles of Association Shri K.V. Viswanathan due to retire by rotation and are eligible for re appointment.

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During the year the Board of Directors appointed Mr.S.Mohan Rajan and Mr.A.Ravi Kumar as additional directors. Now the Board recommends to the members their appointment since their precious knowledge, expertise would be great use to the company.

Mr.T.Sundara Rajan Mr.S.Murali Mr.Jan Schmidigen and Mr.Mavreen polaszek have relinquishing their directorship during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS REPORT:

The Board recommends the appointment of Mr.C.N. Srinivasan, Chartered Accountant as Auditor of the company from the conclusion the ensuing Annual General Meeting until conclusion the next AGM of the company on such remuneration as may be fixed by the Board. A letter from the auditor about the compliance under Sec 224 (1B) of the companies act had been duly received.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO:

The Company has no activity relating to Conservation of energy or technology absorption. The Company did not have any foreign exchange earnings or outgo during the year.

CORPORATE GOVERNANCE:

Company's Philosophy on Corporate governance:

The company's Philosophy of corporate governance is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting its obligations to the shareholders. A separate report on corporate governance is produced as a part of the annual report.

PERSONNEL:

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1955 are not applicable since none of the employees are in receipt of remuneration in excess of the limits specified herein during the period under review.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their deep appreciation of the dedication and commitment of employees to the growth of your Company during the year. Your Directors also express their sincere gratitude to the Banks, Consultants, Auditors and shareholders for their continued patronage and Co-operation

For and on behalf of the Board,

PLACE : CHENNAI
DATE : 30th August 2003.

(K.V. Viswanathan)
DIRECTOR

(P.G. Senthil)
MANAGING DIRECTOR

OMNI AX'S SOFTWARE LIMITED

STATEMENTS AND REPORTS ON CORPORATE GOVERNANCE

A MANDATORY REPORTS ON CORPORATE GOVERNANCE: -

Company's Philosophy On Corporate Governance:

The company's Philosophy of corporate governance is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the investors and other Statutory Authorities to whom these Reports are addressed to.

Board of Directors:

The board of directors comprise of 1 executive & 3 non executive director.

As per clause 49 of the listing agreement regarding corporate governance, the details of directors seeking re-appointment are furnished below.

Mr S. Mohan Rajan

Aged 32 years is a Chartered Accountant .He got exemplary practical knowledge in taxation and finance. He is well versed in accounting standard norms and the extremely good in designing internal control and audit systems. His ideas are truly professional at the same time and very simple and practicable.

Mr.A.Ravi Kumar

Age 33 Years is a Engineering Graduate in field of Electronics and he is also Engineering graduate in field of Mechanical and thus he got extra ordinary combination of technical education and very vast knowledge in the particle application of those knowledge's. His acumen and skill helps the company to very great extent. He is main instrument for the company in choosing correct and update technology. Thus the company is benefited and has edge over other competitors.

Board Meetings:

Ten board meetings were held during the financial year on following dates: 22nd April 2002, 05th June 2002, 31st July 2002, 13th September 2002, 08th October 2002, 30th October 2002, 01st November 2002, 31st December 2002, 31st January 2003. and 24th February 2003.

Attendance of each Director at the Board meeting and last AGM

Name of the director	No of Board meetings attended	Attendance at the last AGM
Mr. P.G. Senthil	10	Yes
Mr. K.V. Viswanathan	10	Yes
T.S.Sundarajan*	6	No
S.Murali *	6	No
S.Mohan Rajan **	-	No
A.Ravi Kumar **	-	No

* Resigned with effect from 20th August 2003

** Appointed with effect from 20th August 2003

None of the Directors is member in more than 10 committees or acting as Chairman of more than five committees.

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REMUNERATION TO DIRECTORS:

The details of the remuneration paid to director for the year ended on 31st March 2003, is as follows:

Name of Director	Sitting Fees (Rs.)	Salaries and perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. P.G. Senthil	nil	120000	Nil	120000
K.V. Viswanathan	5000	Nil	Nil	5000
T.S.Sundarajan	3000	Nil	Nil	3000
S.Murali	3000	Nil	Nil	3000

Audit Committee:

The audit committee comprises of Mr. K.V. Viswanathan, Mr. T. Sundarajan and Mr. S. Murali all non-executive Directors. Mr.K.V. Viswanathan heads the committee. The terms of reference for the Audit committee are specified in writing by the Board of Directors.

The committee oversees, interalia, the financial reporting system, disclosure requirements and matters relating to appointment and remuneration of statutory auditors. The committee also reviews periodically the financial accounts, internal control systems, financial and risk management policies of the company.

Remuneration Committee:

There exists a qualified and independent Remuneration Committee comprised of Mr. K.V. Viswanathan, Mr. T. Sundarajan and Mr. S. Murali. Mr. T. Sundarajan is the Chairman of this committee. The committee oversees the fixation and justification of remuneration to various top executive including executive directors. The committee also ensures adherence to legal provisions in regards to remuneration.

Shareholders committee:

The Share transfer cum investor Grievance committee was constituted under the leadership of Mr. K. V. Viswanathan. The other members are Mr.P.G. Senthil and Mr T. S. Sundarajan. Apart from looking into redressal of investors grievances the committee deals with various matters relating to the transfer and transmission of shares, issue of duplicate share certificates, approval of split and consolidation requests, other matters relating to transfer and registration of shares.

General Body meetings:

General Body Meetings	Date	Venue	Time	Special Resolutions
AGM	30.11.2002	Kandagaddala Chellappa Chetty Charities, No. 41 (Old No.15), Godown Street, Chennai- 600 001	10.00 a.m	3
AGM	11.08.2001	Nalavar Thirumana Maaligai, No.136 (Old No.48), S.P.R Kovil Street, Agaram, Chennai-600 082	10.00 a.m.	-
AGM	23.05.2000	No.159, Arcot Road, Vadapalani, Chennai- 600 026	10.30 a.m	2

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Disclosures:

There are no materially significant transactions made by the company with its promoters, the Directors or the management, their subsidiaries or relatives etc. which require separate disclosure.

No penalties/strictures have been imposed on the company by any regulatory authority for non compliance of any laws.

Means of Communication:

The unaudited quarterly and audited full year financial results are sent to all the Stock Exchanges where the shares of the company are listed. The results are also published in the newspapers as required by clause 41 of the listing agreement.

The company's published financial and other relevant information shall be sent to all the stock exchanges on which the company's shares are listed in a form so as to enable the stock exchanges to put it on their website.

General Shareholder Information:

Number of Annual General Meeting	Eleventh
Date	30 th September 2003
Day	Tuesday
Time	12.00 Noon
Venue	Hotel Palm grove No.5 Kodambakkam high Road, Nugambakkam, Chennai-34.

Financial Calendar

I st Quarter	April –June
II nd Quarter	July-September
III rd Quarter	October-December
V th Quarter	January-March

Book closure date 26th September 2003 to 30th September 2003 (both days inclusive)

Dividend payment date : Not Applicable

Listing on Stock Exchange

The shares are listed and traded on the following stock exchanges
The Madras Stock Exchange Limited
The Stock Exchange, Mumbai

Listing fees Listing fees for the period 2003-2004 has been paid to the stock exchanges.

Demat ISIN NOINE9369B01019

Share Transfer System: -

Presently, the share transfers in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, so long as the documents have been clear in all respects. The Company has, as per SEBI guidelines offers the facility of transfer cum demat. All complaints received from shareholders have been cleared till date. The complaints are generally replied to within 10 days from their lodgments with the company.

Registrars & Share transfer Agents :

Cameo Corporate Services Limited
#1, Subramanian Building
Club House Road, Mount Road,
Chennai-600 002.
Ph: 044-28460390 (5 lines)

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Distribution schedule as on 31.3.2003

Share holding of nominal value of	Share holders		Share Amount	
	Number	% to total	In Rs	% to total
(1)	(2)	(3)	(4)	(5)
Upto 5000	3268	68.027	1,00,61,870	5.678
5001-10000	924	19.234	80,09,530	4.520
10001-20000	280	5.828	44,21,710	2.495
20001-30000	97	2.019	24,98,660	1.410
30001-40000	42	0.874	15,52,240	0.877
40001-50000	44	0.916	20,97,250	1.184
50001-100000	48	0.999	36,79,200	2.076
100001-and above	101	2.103	14,48,76,140	81.760
TOTAL	4804	100	17,71,96,600	100

STOCK MARKET DATA

The high and low prices of the shares during the year

MONTH	HIGH (in Rs)	LOW (in Rs)
April 2002	1.65	0.40
May 2002	1.40	0.50
June 2002	1.25	0.70
July 2002	1.50	0.60
August 2002	0.75	0.40
September 2002	0.95	0.40
October 2002	1.55	
December 2002	1.65	0.75
January 2003	1.35	0.70
February 2003	1.20	0.95
March 2003	0.85	0.45

52 Weeks High Rs.1.65

52 Weeks Low Rs. 0.40

All Time High Rs.17

All Time Low Rs.0.55