

OMNI AX'S SOFTWARE LIMITED

ANNUAL REPORT



2004-05

OMNI AX'S SOFTWARE LIMITED

OMNI AX'S SOFTWARE LIMITED

BOARD OF DIRECTORS

Mr. Shivaji Rao
Mr. K.V. Viswanathan
Mr. Mohan Rajan
Mr. A. Ravi Kumar

AUDITORS

C.N. Srinivasan
Chartered Accountant

BANKERS

Andhra Bank,
Sowcarpet Branch,
Chennai-79

REGISTERED OFFICE

No.39, North Usman Road,
Basement Building, 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 Thirteenth Annual General Meeting of the members of **OMNI AX'S SOFTWARE LIMITED** will be held on Friday, the 30th day of September 2005 at 09.30 a.m. at No.39, North Usman Road, Basement Building, T.Nagar Chennai-600 017 to transact the following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Balance Sheet as at 31st March 2005 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 S.Moharajan, 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.

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

(Shivaji Rao)
DIRECTOR

PLACE: CHENNAI

DATE: 05th September 2005

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 24th September 2005, to 30th September 2005 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-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.

OMNI AX'S SOFTWARE LIMITED

DIRECTORS REPORT

Dear Members,

Yours Directors have great pleasure in presenting the Thirteenth annual Report of the company with audited accounts for the year ended 31st March 2005.

FINANCIAL RESULTS	Year ended 31.03.2005 (In Rs)	Year ended 31.3.2004 (In Rs)
Sales & Other Income	10389997	19062710
PROFIT BEFORE DEPRECIATION	(2994662)	4353033
Less: DEPRECIATION	2743109	4161483
PROFIT BEFORE TAX	(5737771)	191550
Less: PROVISION FOR TAX (Current & Deferred)	(697047)	(463120)
PROFIT AFTER TAX	(5040724)	654670

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 2004-2005.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure And Development:

There has been considerable decline in software industry globally. There have been encouraging developments in the Power Sector in last year and had planned to enter in power Sector and resolutions was passed unanimously through postal ballot changing the object and the name of the company where by enabling the company to enter power sector. However the Registrar of Companies, Chennai did not approve the same and the company has dropped the idea of entering in the power for the time being.

b) Business Performance

The turnover is Rs.94.25 Lakhs in financial year 2004-2005 against Rs.190.46 Lakhs in the financial year 2003-2004. Your Directors are hopeful of maintaining and improving the turnover and profit in coming years by strategic business plans.

The lucrativeness of the return of investment in the power sector prompts omni ax's Limited to actively participate in its promotion .The company envisages an outlay for the investment of its surplus fund towards investment in power generation sector. Its promoting M/s Astro Energy Bio Systems Limited for 7.5 MW Bio mass Power Plant in Maduari District. Due to the fluctuation in the software industry the investors expect a more stable revenue pattern therefore we have decided to promote this area.

OMNI AX'S SOFTWARE LIMITED

d) Merger of companies:

The company's application to honorable high court Chennai with regard to the merger of the Company's subsidiary companies M/s MILLENIUM SOFT SOLUTIONS PRIVATE LIMITED, M/s R3 VENTURES PRIVATE LIMITED and M/s ELAN INTEGRATED SYSTEMS PRIVATE LIMITED is still pending with the said authorities. Further at the Court Convened Extra Ordinary general meeting on 01-06-2004 all the shareholders of the company had unanimously approved and adopted the Scheme of Amalgamation with the above companies. The matter is still pending in the High court and the company is hopeful this process will be completed by end of September 2005.

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.

f) 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 within the meaning of Section 58A/58AA of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Companies Articles of Association Shri S.Mohan Rajan due to retire by rotation and are eligible for re appointment.. He seek accord from the members to continue so. The other Directors of the company are K.V.Viswanthan, Shivaji Rao and A.Ravi Kumar

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.

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AUDITORS AND AUDITORS REPORT:

The Board recommends the appointment of Mr. C.N. Srinivasan, Chartered Accountant as Statutory 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, 1956 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.

CAUTIONARY STATEMENT

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates/going to operate, changes in the Government regulations, tax laws and other statutes and other incidental factors.

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

(Shivaji Rao)
DIRECTOR

A.Ravi Kumar
DIRECTOR

PLACE : CHENNAI

DATE : 5th September 2005

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.

Mr.S.Mohan Rajan

Aged 34 Years is Chartered Accountant. He is 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.

Board Meetings:

Eleven board meetings were held during the financial year on following dates: 30th April 2004, 3rd May 2004, 24th May 2004, 11th June 2004, 24th June 2004, 30th June 2004, 31st July 2004, 10th September 2004, 29th October 2004, 8th November 2004, 31st January 2005.

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
Shivaji Rao	11	Yes
Mr. K.V. Viswanathan	11	Yes
S.Mohan Raj	11	Yes
A.Ravi Kumar	11	Yes
P.G.Senthil*	8	Yes

* Resigned on 10th September 2004

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

OMNI AX'S SOFTWARE LIMITED**REMUNERATION TO DIRECTORS:**

The details of the remuneration paid to director for the year ended on 31st March 2005, is as follows:

Name of Director	Sitting Fees (Rs.)	Salaries and perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Shivaji Rao	Nil	180000	Nil	180000
K.V. Viswanathan	8000	Nil	Nil	8000
P.G.Senthil*	3000	Nil	Nil	3000
S.MohanRaj	4500	Nil	Nil	4500
A.Ravi Kumar	4500	Nil	Nil	4500

* Resigned on 10th September 2004

Audit Committee:

The audit committee comprises of Mr. K.V. Viswanathan, Mr.A.RaviKumar and Mr.S.MohanRaj all non-executive Directors. Mr.S.MohanRaj 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. Shivaji Rao, S.MohanRaj and Mr. K.V.Viswanathan and Mr. K.V.Viswanathan 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. Ravi Kumar. The other members are Mr.Viswanthan and Mr. Shivaji Rao. 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.

OMNI AX'S SOFTWARE LIMITED**General Body Meetings :**

General Body Meetings	Date	Venue	Time	Special Resolutions
AGM	30.09.2004	New No.115 (Old No.54) Egmore High Road, Chennai-600 008.	9.30 a.m.	4
AGM	30.09.2003	Hotel Palmgrove No.5 Kodamabakkam High Road, Nugambakkam, Chennai-34	12.00 Noon	2
AGM	30.11.2002	Kandagaddala Chellapilla Chetty Charities, No.41 (Old No.15) Godown Street, Chennai- 600 001	10.00 a.m	3

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 Trinity mirror (English) and Makkal Kural (Vernacular) 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	: Thirteenth
Date	: 30 th September 2005
Day	: Friday
Time	: 09.30 am
Venue	: No.39. North Usman Road, Basement Building, T.Nagar Chennai -17
Financial Calendar	
Ist Quarter	: April -June
II nd Quarter	: July-September
III rd Quarter	: October-December
IV th Quarter	: January-March
Book closure date	: 24 th September 2005 to 30 th September 2005 (both days inclusive)
Dividend payment date	: Not Applicable

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Listing on Stock Exchange

The shares are listed and

traded on the following

stock exchange

: The Stock Exchange, Mumbai

Listing fees

: Listing fees for the period 2005-2006
has been paid to the stock exchange.

Demat ISIN NO

: INE9369B01019

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)

Distribution schedule as on 31.3.2005

Share holding of nominal value	Share holders		Share Amount	
	Number	% to total of	in Rs.	% to total
Upto 5000	2617	61.69	8114080	4.71
5001-10000	864	20.37	7691210	4.47
10001-20000	318	7.50	5347240	3.11
20001-30000	133	3.13	3472440	2.02
30001-40000	55	1.30	2066980	1.20
40001-50000	68	1.60	3279640	1.90
50001-100000	89	2.10	7202820	4.18
100001-and above	98	2.31	135013180	78.41
TOTAL	4242	100	172187590	100