

OMNI AX'S SOFTWARE LIMITED

ANNUAL REPORT

2008-2009

OMNI AX'S SOFTWARE LIMITED

| | |
|------------------------------|--|
| Board of Directors : | 1. Chandan Singhi, Whole time Director 2. K. Ramu, Director 3. S. Sailakshmi, Director 4. Veera Mohan Arunasalam, Additional Director w.e.f. 02.02.2009 5. Gunasageran Nadeson, Additional Director w.e.f. 02.02.2009 6. N. Shivaji Rao, Director upto 02.02.2009 |
| Auditors | C.N. SRINIVASAN Chartered Accountant 7A, Kalinga Colony, Pt. Rajan Salai, K.K. Nagar, Chennai – 600 078. |
| Bankers | Andhra Bank, Sowcarpet Branch, Chennai – 600 079. HSBC Bank 96, Radhakrishnan Salai, Mylapore, Chennai – 600 004. |
| Registered Office | New No. 39, Shapre Towers, North Usman Road, T. Nagar, Chennai - 600 017. (Upto 02.04.2009) Ground Floor, A.S. Corporate House, No. 307, Poonamallee High Road, Kilpauk, Chennai – 600 010. (w.e.f. 02.04.2009) |
| Share Transfer Agents | Cameo Corporate Services limited, #1, Subramaniam Building, Club House Road, Mount Road, Chennai – 600 002 Ph.: (044) 28460390 (5 lines) Fax: (044) 28640129 |

OMNI AX'S SOFTWARE LIMITED

NOTICE

SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Ground Floor, A.S. Corporate House, No.307, Poonamallee High Road, Kilpauk, Chennai - 600010 on Tuesday, 29th September, 2009 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2009, the Profit & Loss account for the period from 01.04.2008 to 31.03.2009 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri K. Ramu who retires by rotation and has expressed his unwillingness to be reappointed as a director of the company.
3. To appoint M/s. C.N. Srinivasan, Chartered Accountant, the retiring auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors of the Company in consultation with them.

SPECIAL BUSINESS

4. APPOINTMENT OF MR. VEERA MOHAN ARUNASALAM, ADDITIONAL DIRECTOR AS DIRECTOR

To consider and if thought fit pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Veera Mohan Arunasalam who was appointed as an additional Director of the company at the meeting of Board of Directors held on 2nd February, 2009 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution."

5. APPOINTMENT OF MR. GUNASAGERAN NADESON, ADDITIONAL DIRECTOR AS DIRECTOR

To consider and if thought fit pass the following resolution as an Ordinary Resolution:

OMNI AX'S SOFTWARE LIMITED

"RESOLVED THAT Mr. Gunasageran Nadeson who was appointed as an additional Director of the company at the meeting of Board of Directors held on 2nd February, 2009 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution."

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
Chandan Singhi
(Whole time Director)

Place: Chennai
Date : 03/09/2009

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- 2. A PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED ATLEAST 48 HOURS BEFORE THE GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.**
- 3. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING SPECIAL BUSINESS IN RESPECT OF ITEM NOS 4 AND 5 OF THE ACCOMPANYING NOTICE AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 IS ANNEXED HERE TO.**
- 4. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM TUESDAY, 22ND SEPTEMBER, 2009 TO TUESDAY, 29TH SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.**
- 5. THE MEMBERS ARE REQUESTED TO INTIMATE TO THE REGISTRAR AND TRANSFER AGENTS, 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.**

OMNI AX'S SOFTWARE LIMITED

6. REAPPOINTMENT OF DIRECTORS

At the ensuing Annual General Meeting Shri K. Ramu, Director of the Company retires by rotation has expressed his unwillingness to be reappointed as a director of the company.



OMNI AX'S SOFTWARE LIMITED

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

ANNEXURE TO THE NOTICE

The following Explanatory Statement relating to Special Business at Item Nos. 4 & 5 of the accompanying Notice sets out all material facts as required under Section 173 of the Act.

Item No. 4:

Mr. Veera Mohan Arunasalam was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 2nd February, 2009. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Veera Mohan Arunasalam as a candidate for the Office of director of the Company. Aged 47 years, Malaysian Citizen, he has over 20 years of experience in financial management and corporate restructuring of various companies in Malaysia. Currently he holds the position of financial controller of a 150 crore public company involved in property, insurance, construction and investment in Malaysia. He also sits on the board of several private limited companies in Malaysia. He is also the managing director of a privately owned company with interest in media, entertainment, hotel management and auto mobile in Malaysia and Australia. His appointment as a Non-Executive Independent Director will strengthen the Board. Other directorships / committee memberships in Indian Companies are Nil.

The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Veera Mohan Arunasalam are concerned or interested in the above resolution.

Item No. 5:

Mr. Gunasageran Nadeson was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 2nd February, 2009. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Gunasageran Nadeson as a candidate for the Office of director of the Company. Aged 45 years, Malaysian Citizen, he is a Chartered Financial Analyst (CFA) with over 18 years experience in corporate planning, portfolio management, equity analysis and corporate finance. Currently, he is a consultant and advisor covering corporate advisory, fund management, mergers and acquisitions, restructuring, due diligence and forecasting for private equities. He has also passed the Kuala Lumpur Stock Exchange (KLSE) an MESDAQ examinations enabling him to have an in-depth knowledge in securities industry rulings. His appointment as a Non-Executive Independent Director will strengthen the Board. Other directorships / committee memberships in Indian Companies are Nil.

OMNI AX'S SOFTWARE LIMITED

The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Gunasageran Nadeson are concerned or interested in the above resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
Chandan Singhi
(Whole time Director)

Place: Chennai
Date : 03/09/2009

Report  Junction.com

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

Your Directors are happy to present the Seventeenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31st March 2009.

FINANCIAL HIGHLIGHTS:

During the year under review, the company has earned profit of Rs. 421,072/- as against a loss of Rs. 34,060,402/- during the previous year. The financial results of the company as compared to the previous year are summarized as under:

| Particulars | 31.03.2009 | 31.03.2008 |
|--|-----------------|-----------------|
| Sales & Other Income | 17,823,417.00 | 26,671,350.00 |
| Profit/ (Loss) before Depreciation and Tax | 411,155.00 | (33,322,828.00) |
| Less: Depreciation | 239,926.00 | 1,302,579.00 |
| Profit/ (Loss) Before Tax | 171,229.00 | (34,625,407.00) |
| Excess Provision Reversed | 253,550.00 | 233,951.00 |
| Provision for Taxation - Current | 0.00 | 0.00 |
| Provision for Deferred Tax- Asset | (39,227.00) | (361,125.00) |
| Provision for Fringe Benefit Tax | 42,934.00 | 30,071.00 |
| Profit/ (Loss) After Tax | 421,072.00 | (34,060,402.00) |
| Add: Deferred Tax Provision No Longer Required | 1,163,495.00 | 0.00 |
| Add: Balance Brought Forward | (37,641,558.00) | (3,581,156.00) |
| Balance carried over to Balance Sheet. | (36,056,991.00) | (37,641,558) |
| EPS Basic & Diluted | 0.02 | (1.98) |
| Weighted Average number of shares | 17,218,759 | 17,218,759 |

REGISTERED OFFICE:

The Registered Office of the Company has been changed from New No. 39, Shapre Towers, North Usman Road, T. Nagar, Chennai - 600 017 to Ground Floor, A.S. Corporate House, No. 307, Poonamallee High Road, Kilpauk, Chennai 600 010 w.e.f. 02.04.2009 to facilitate operational convenience.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes & Commitments, which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report affecting the financial position of the company.

RESERVES:

The company does not propose to carry any amount to reserves during the financial year.

OMNI AX'S SOFTWARE LIMITED

DIVIDEND:

Your directors do not wish to recommend any dividend with a view to conserve the resources of the company for growth and expansion of the company.

DEPOSITS AND LOANS/ ADVANCES:

The Company has not accepted any public deposits during the financial year.

The particulars of loans/ advances and investment in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the company pursuant to Clause 32 of the listing agreement with the company, are Nil.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Economic Overview

The year witnessed a global economic slow down in general. The market conditions were difficult and there was a volatile currency environment. In view of the difficulties faced on account of economic conditions the main focus of the company was on conserving cost and creating efficiencies thereby enhancing value. Due to slowdown considerable reductions were experienced in IT service spends all over. There was also increased regulation leading to more enterprise regulation, security and reporting.

b) Industry Structure, Development and Outlook

The growth in Software Services sector continued to be broad based inspite of general recession. The management is also planning diversification in other areas to improve the performance of the company and in turn enhance shareholders value.

c) Business performance and Segment Reporting

During the year under review, the company has earned profit of Rs. 421,072/- as against a loss of Rs. 34,060,402/- during the previous year. The performance of the company is expected to improve during the coming years with increasing efforts being made in the direction of improving the working efficiency of the company.

The company operates in one segment viz., Software Development

d) Internal Control System and its adequacy

The system of internal control has been 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.

OMNI AX'S SOFTWARE LIMITED

e) Risk Management

Risk evaluation and management is an ongoing process in the company.

f) Human resources and Industrial relations

Your company continues to have cordial relations with its employees.

DIRECTORS

Shri K. Ramu, Director of the company retires by rotation at the ensuing Annual General Meeting of the Company and has expressed his unwillingness to be reappointed as a director of the company. Shri Veera Mohan Arunasalam and Shri Gunasageran Nadeson were appointed as additional directors of the company w.e.f. 02.02.2009 by the Board of Directors of the company in accordance with the provisions of Section 260 of the Companies Act, 1956. They hold office upto the date of the ensuing Annual General Meeting of the Company to be held on 29th September, 2009. The requisite notices together with necessary deposits have been received from members pursuant to section 257 of the Companies Act, 1956 proposing the appointment of Shri Veera Mohan Arunasalam and Shri Gunasageran Nadeson as directors of the company. Shri N. Shivaji Rao has resigned as director of the Company w.e.f. 02.02.2009. The Board places on record their sincere and deep appreciation for valuable services rendered to the company. Shri Chandan Singhi was appointed as the whole time director of the company in the Annual General Meeting held on 29.09.2008.

AUDITORS:

M/s. C.N. Srinivasan, Chartered Accountant, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. A written certificate pursuant to section 224(1B) has been obtained that their appointment if made will be within the limits specified therein. The Audit Committee in its meeting have recommended the reappointment of the Auditors.

AUDITORS REPORT:

The notes on accounts are self explanatory to the comments made by the Auditors in their Report and therefore do not call for any further explanations.

CORPORATE GOVERNANCE:

Your Company has always striven to incorporate appropriate standards for good 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.