

TWENTIETH ANNUAL REPORT 2011 - 12



OMNI AX's SOFTWARE LIMITED

**71, Nehru Nagar Industrial Estate, 2nd Link Street,
Kottivakkam, Chennai – 600 041**

OMNI AX's SOFTWARE LIMITED

Board of Directors

N.K.Premanandhan,
Rajendra Jain
Shreyas S Shah
Jaybalan Jaykumar

Auditors

Siddharth Mehta
Chartered Accountant
No: 91, Govindappa Naicken Street,
Chennai - 600 001.
Ph: 044 - 25309430, 25390431

Bankers

Andhra Bank, Sowcarpet Branch,
Chennai – 600 079.

HSBC Bank, Mylapore Branch
Chennai – 600 004.

ICICI Bank, Adyar Branch
Chennai – 600 020

Registered Office

71, Nehru Nagar Industrial Estate
2nd Link Street, Kottivakkam,
Chennai – 600 041

Share Transfer Agents

Cameo Corporate Services limited,
1, Subramaniam Building, Club House Road,
Off Mount Road,
Chennai – 600 002
Ph.: (044) 28460390 (5 lines) Fax: (044) 28640129

NOTICE

TWENTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held at Asha Nivas, 9 Rutland Gate, 5th Street, Nungambakkam, Chennai – 600 006 on Friday, 28th September, 2012 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2012, the Profit & Loss account for the period ended on 31.03.2012 and to consider the reports of the Directors and Auditors thereon.
2. To appoint directors in place of Mr. N. K. Premanandhan and Mr. Rajendra Jain who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration. The retiring auditor Siddharth Mehta, Chartered Accountant, is eligible for re-appointment.

SPECIAL BUSINESS

Appointment of Directors

4. To consider and if thought fit pass following resolution as an Ordinary resolution:

“ Resolved that Mr. Jaybalan Jaykumar who was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 3rd September, 2012 and who holds the office upto the date of Annual General Meeting in terms of Section 260 of the Companies Act 1956 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 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

Rajendra Jain
Director

Place : Chennai
Date : 03/09/2012

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 REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM MONDAY, 24th SEPTEMBER, 2012 TO SATURDAY, 28TH SEPTEMBER, 2012 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
4. THE MEMBERS ARE REQUESTED TO INTIMATE CHANGE OF ADDRESS, IF ANY AT THE EARLIEST QUOTING THEIR REGISTERED FOLIO NUMBER TO THE REGISTRAR AND TRANSFER AGENTS :

**CAMEO CORPORATE SERVICES LIMITED,
1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD,
MOUNT ROAD,
CHENNAI – 600 002,**

5. RESUME OF DIRECTORS BEING APPOINTED/REAPPOINTED

Pursuant to clause 49(VI) (A) of the Listing Agreement relating to the code of corporate Governance, particulars of the Directors proposed for appointment and reappointment are given below.

Mr. Jaybalan Jaykumar

A civil engineer with metallurgy and electrical as electives from Guindy Engineering College, Chennai is a director of Metro Films Private Ltd. He was on the Board of VSK Ferroalloys and Golden Ferro Alloys. He was also Managing Director Vegaa Alloy Steel Ltd. He brings with him vast experience in corporate planning, HR management, overseas business development process and general management.

Mr. Rajendra Jain

A commerce and law graduate from Calcutta University has wide experience in the fields of Advertisement, creative designing, System structure and execution of Concept selling, methodologies and proposals.

Mr. N.K.Premchandhan

A commerce graduate with varied experience in the field of accounting, auditing and tax matters. Company has derived benefits from his guidance and advice.

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

ANNEXURE TO THE NOTICE

Following explanatory statements relating to Special Business at item no. 4 are given below:

Mr. Jaybalan Jaykumar was appointed as an Additional Director by the Board of Directors at their meeting on 3rd September 2012 in terms of section 260 of the Companies Act and Articles of Association of the Company and who holds the office only up to the date of ensuing Annual General Meeting. 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. Jaykumar as a candidate for the Office of director. The Board has decided to appoint him as an Independent Director who is liable to retire by rotation subject to approval of members. Therefore the resolution under item no. 4 is being placed before the shareholders for their approval.

None of the Directors are interested in the above resolution except Mr. Jaybalan Jaykumar.

BY ORDER OF THE BOARD

Rajendra Jain
Director

Place : Chennai
Date : 03/09/2012

DIRECTORS' REPORT

Your Directors present the Twentieth Annual Report together with the Audited Accounts of the Company for the Financial Year ended on 31st March 2012.

FINANCIAL HIGHLIGHTS

The financial results of the Company during the year under review as compared to the previous year are summarised as under:

PARTICULARS	31.03.2012	31.03.2011
Sales & Other Income	8,773,185	2,875,065
Profit / (Loss) before Depreciation and Tax	(1,067,039)	(32,614,856)
Less: Depreciation	238,614	239,926
Profit / (Loss) before Tax	(1,305,653)	(32,854,782)
Provision for Deferred Tax – Asset	52,019	44,921
Profit / (Loss) after Tax	(1,253,634)	(32,810,491)
Add: Balance Brought Forward	(89,556,339)	(56,745,847)
Balance Carried Over to Balance Sheet	(90,809,973)	(89,556,339)
EPS Basic & Diluted	(0.07)	(1.91)
Weighted Average number of Shares	17,218,759	17,218,759

OPERATIONS AND PERFORMANCE

During the year under review the company reported loss of Rs.1.25 million as opposed to loss of Rs. 32.81 million reported in the previous year. Top line was generated thru job works for clients and also outsourcing software development with minimum margin. A major cost reduction program was introduced which had significantly reduced the overheads. Benefit of the program is expected to yield result in future years as well. Company plans to enter into Trading activity of Hardware and other items to improve revenue. Result of this effort is likely to come during current year.

DIVIDEND

Your directors do not recommend any dividend as there was a loss during the year under review.

PUBLIC 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 furnished separately.

DIRECTORS

Directors Mr. Veera Mohan Arunasalam and Mr. Gunasageran Nadeson resigned from the Board effective September 3, 2012 due to their commitment overseas. The Board places on record its appreciation of the valuable services rendered by them during their tenure as member.

Directors Mr. N. K. Premanandhan and Mr. Rajendra Jain retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. The Board recommends their reappointment.

Mr. Jaybalan Jaykumar was appointed as an additional director on 3rd September 2012 in terms of Section 260 of the Companies Act, 1956. He holds office up to the date of the ensuing Annual General Meeting to be held on 28th September, 2012. The requisite notices together with necessary deposits have been received from members pursuant to section 257 of the Companies Act, 1956 proposing appointment of Mr. Jaybalan Jaykumar as director liable to retire by rotation. The Board recommends his appointment as Director.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

Your Company recognizes the importance of human resource in creating an organization and wishes to place on record their appreciation for the contribution and support of all the employees towards the growth of the Company.

The Company is constantly working to create a congenial work environment and motivating employees at all levels and shall always place all necessary emphasis on continuous development of its human resource.

SUBSIDIARIES

The Company does not have any subsidiary.

Health, Safety and Environmental Protection

The Company has been regularly complying with relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

AUDITORS

M/s Siddharth Mehta, Chartered Accountant, Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting of the Company and is eligible for reappointment. The Company has obtained confirmation that if appointed it would be in conformity with the provisions of section 224(1B) of the Companies Act, 1956 and will be within the limits specified therein.

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.

LISTING

The shares of the company are listed in Bombay Stock Exchange. The company is yet to receive Listing confirmation of 77,44,760 equity shares issued on Preferential basis for acquisition and merger of three companies viz, Elan Integrated Systems Pvt. Ltd., R3 Ventures Pvt. Ltd. and Millennium E- soft Solutions. Efforts are continuing to have those listed.

REGISTERED OFFICE

Registered office of the Company is at

No. 71, Nehru Nagar Industrial Estate
2nd Link Street, Kottivakkam,
Chennai – 600 041

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement along with the Auditors' Certificate for its due compliance forms part of the Annual Report.

Your company has taken adequate steps for compliance with the Corporate Governance guidelines, as amended from time to time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding conservation of energy and technology absorption as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to your company. There were no foreign exchange earnings and outgo during the financial year.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm :

- i. that in preparation of accounts, applicable accounting standards have been followed;
- ii. that directors have selected such accounting policies and applied them constantly and made judgments and estimates that are reasonable and prudent to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii. that Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv. that the directors have prepared Annual Accounts on a Going Concern basis.

COMPANY SECRETARY

The appointment of Whole time Company Secretary is under consideration of the Company. The company has been availing services of practicing company secretary from time to time to ensure compliance of the provisions of the applicable acts and statutes. Also the Annual Return of the Company is being certified by practicing company secretary from year to year and the company is also taking certifications from them for Stock Exchange Compliances.

PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE ACT

None of the employees have received remuneration in excess of the sum prescribed u/s 217(2A) of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate section on Management Discussion and Analysis Report forming part of the Annual report is attached.

ACKNOWLEDGMENT

Your directors would like to place on record their sincere gratitude to the shareholders, bankers, business associates, clients for their continued patronage and co-operation. The directors are also happy to place on record their appreciation for the whole hearted commitment and contribution made by all the employees and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD

N.K.Premanandhan
Director

Rajendra Jain
Director

Date: 03/09/2012

Place: Chennai

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Corporate governance is the application of best management practices, compliance of laws and adherence to ethical standards, transparency to achieve Company's objectives. The company is committed to the principles of good corporate governance

2. BOARD OF DIRECTORS

The composition of the board and category of the directors are given in table below. During the financial year 2011 -12 five board meetings were held on 14th May, 2011, 10th August, 2011, 26th August, 2011, 10th November, 2011, and 13th February, 2012..

Name	Category	Board meetings attended	Last AGM attended	Other Directorship	Committee Membership (other than OMNI Ax's Software Ltd.)	Committee Chairmanship (other than OMNI Ax's Software Ltd.)
N.K. Premanandhan	Executive	5	YES	NIL	NIL	NIL
Rajendra Jain	Wholetime Director	5	YES	NIL	NIL	NIL
Shreyas S. Shah	Independent	5	YES	NIL	NIL	NIL
V.M. Arunasalam	Independent	3	NO	NIL	NIL	NIL
G. Nadeson	Independent	3	NO	NIL	NIL	NIL

The composition of the Board having two executive directors and three independent directors is in conformity with the stipulation of clause 49 of the Listing Agreement with Bombay Stock Exchange.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE

Major terms of reference of Audit Committee are :

- (i) Effective supervision of the transparent financial reporting process, disclosure of its financial information, ensuring compliance with established accounting standards, policies, procedure and statutory regulations.
- (ii) Evaluate adequacy of internal control system and its effectiveness and