

Online Media

Solutions Limited



4th Annual Report
2001-2002



BOARD OF DIRECTORS

Sri K. Srinivasa Rao	–	Managing Director
Sri S.Y. Sree Kumar	–	Jt. Managing Director
Sri P. V. Narasimha Rao	–	Executive Director
Smt. K. V. N. Lakshmi	–	Executive Director
Sri P. Harinath Babu	–	Director
Sri P. Vijay Kumar	–	Director
Smt. P. Sujana	–	Director
Sri K. Radhakrishna Murthy	–	Director
Sri M. Sanjay Kumar	–	Director
Sri Rama Srinivas	–	Director

Auditors

M/s. MOGILI SRIDHAR & CO.
Chartered Accountants,
6-3-655/2/3, Ist Floor,
Somajiguda, Hyderabad – 500 082.

Bankers

Central Bank of India,
Charminar Branch, Hyderabad

Tamilnadu Mercantile Bank Limited
Kishanganj Branch, Hyderabad

Vysya Bank Limited
Abids, Abid Road, Hyderabad.

REGISTERED OFFICE

#3-5-874/A, 4th Floor,
Vipanchi Estate,
Main Road, Hyderguda,
Hyderabad - 500 029.

SHARE TRANSFER AGENTS

Physical Transfer Agents :

M/s.Venture Capital and
Corporate Investments Ltd.,
6-2-913/914, 3rd Floor,
Progressive Towers,
Khairatabad,
Hyderabad – 500 004

Electronic Registrars :

M/s. Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad-500 029.



NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Shareholders of **ONLINE MEDIA SOLUTIONS LIMITED** will be held at Snathak Bhawan, 1st Floor, 5-4-790-1, Opp. lane of G. Pulla Reddy Sweets, Nampally Station Road, Abids, Hyderabad – 500 001 on **Monday, the 30th September, 2002 at 2.30 p.m.** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as on that date together with the Reports of the Directors' and Auditor's for the year ended 31st March, 2002.
2. To appoint a Director in the place of Smt P. Sujana, Director, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in the place of Sri P. V. Narasimha Rao, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution, with or without modification(s) as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s. MOGILI SRIDHAR & CO Chartered Accountants, Hyderabad be and are hereby re-appointed as Statutory Auditors of the company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the company, on such remuneration as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Rama Srinivas be and is hereby appointed as a Director of the company, whose period of office shall be liable to retire by rotation."

BY ORDER OF THE BOARD
for ONLINE MEDIA SOLUTIONS LIMITED

PLACE : HYDERABAD
DATE : 26th August, 2002

K. SRINIVASA RAO
MANAGING DIRECTOR



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 such proxy need not be a member of the Company.
2. The instrument appointing the proxy in order to be valid and effective shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / Proxies should bring their duly filled attendance slips sent herewith for attending the meeting.
4. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers to facilitate the identification of their attendance at the meeting.
5. The Register of Members and Share Transfer Books of the company will remain closed from 26th September, 2002 to 30th September, 2002 (both days inclusive).
6. Shareholders seeking any clarification / information on the Annual Accounts are requested to forward his/her queries to the company at least 7 days prior to the meeting so that the required information can be made available at the meeting.
7. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

EXPLANATORY STATEMENT

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

ITEM NO. 5

Mr. Rama Srinivas was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 5th July, 2002 and shall hold his office only up to the date of this Annual General Meeting. The company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Rama Srinivas to the office of Director together with a deposit of Rs.500/-.

Mr. Rama Srinivas is a business man. He has vast knowledge in the manufacturing and marketing of electrical insulators and its allied products. His area of expertise also includes Ceramic Industry. He has incorporated companies like M/s. Sri Southern Electricals and Insulators Pvt. Ltd and M/s. Vaishnavi Electricals Pvt. Ltd. He is also a partner of M/s. Venkateswara Ceramic Industries and M/s. Continental Industries. He has more than a decade's experience in business organization and Management. Your company would be immensely benefited by the rich experience of Mr. Rama Srinivas.

Your Board of Directors recommends his appointment and except Mr. Rama Srinivas none of the Directors is interested in the said resolution.

BY ORDER OF THE BOARD
for ONLINE MEDIA SOLUTIONS LIMITED

PLACE : HYDERABAD
DATE : 26th August, 2002

K. SRINIVASA RAO
MANAGING DIRECTOR



DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure in presenting you the Fourth Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2002.

FINANCIAL RESULTS :

	(Rs.in Lakhs)	
	2001-02	2000-2001
Income from Operations	280.37	142.90
Profit/(Loss) before Interest and depreciation	60.21	23.78
Interest	3.89	0.61
Depreciation	47.60	21.64
Profit after Tax & depreciation	3.30	1.53
Provision for Deferred Taxation	1.32	---
Balance brought forward	(20.27)	(21.80)
Balance carried forward	(18.29)	(20.27)

PERFORMANCE

Your company's gross turnover for the year under review is Rs.2,80,37,194 compared to Rs.1,42,90,206 achieved during the previous year. The Profit After Tax of the Company as on 31st March, 2002 is Rs.3,29,835.

During the year under review the company has adopted several cost reduction methods which have resulted in increasing the profits of the company as compared to the previous year.

Your Company has been making all possible efforts to procure more orders. Your Directors hope that in the ensuing year the Company would definitely increase the operational and financial performance.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

Reports on Management Discussion & Analysis and status report on compliance of Corporate Governance are annexed and form part of Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 on the Directors' Responsibility Statement, it is hereby confirmed:-



- ★ That in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanations relating to material departures:
- ★ That the Directors selected such accounting policies and applied them consistently and made judgement 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 or loss of the Company for the financial year ended 31st March, 2002;
- ★ That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- ★ That the Directors prepared the annual accounts for the financial year ended 31st March, 2002, on a going concern basis.

FIXED DEPOSITS

The company has not accepted any Fixed Deposits during the year under review as per the provisions of section 58A of the Companies Act, 1956, and the rules made thereunder and no such amount in respect of Fixed Deposit (principal or interest) was outstanding on the date of the Balance Sheet.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Smt P. Sujana and Sri P. V. Narasimha Rao - Directors, will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Sri P. Harinath Babu retires at the ensuing Annual General Meeting.

Sri Rama Srinivas was appointed as additional director on Board, who retires at the ensuing Annual General Meeting and being eligible offer himself for appointment as Director of the company. Your Board of Directors recommend his appointment.

During the period under review Sri K. Basi Reddy, Smt M. Sushma Kumar and Sri Yasala Naresh Kumar and Sri D. Chaitanya - Directors of the Company have resigned from the office of Director due to their preoccupations. The Board of Directors places on record its appreciation for the distinguished and valuable services rendered by Sri K. Basi Reddy, Smt M. Sushma Kumar Sri Yasala Naresh Kumar and Sri D. Chaitanya as Directors, during their tenure of office in the company.

AUDITORS

M/s. Mogili Sridhar & Co., Chartered Accountants, Hyderabad, will retire at the ensuing Annual General Meeting and are eligible for re-appointment as Statutory Auditors of the Company. In terms of the provisions of section 224A of the Companies Act, 1956, an Ordinary Resolution is proposed for the re-appointment.



INDUSTRIAL RELATIONS

Your Company is maintaining cordial and harmonious relations with the workmen and the employees at various levels. Your Directors' express their deep sense of appreciation for the excellent support and the contributions made by employees at all levels for the successful operations of the company during the year.

PERSONNEL

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended do not apply to your company since no employee of the company falls within the limits stipulated under the said Rules.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure – A and forms part of this report.

ACKNOWLEDGMENTS

Your Directors gratefully acknowledge and appreciate the support extended by the Banks, various departments of Central and State Governments, SEBI and Stock Exchanges. Your Directors express their grateful thanks to our Customers, Subscribers and Cable Operators and for their continued support and to our valued shareholders for the trust and confidence reposed in the Company.

BY ORDER AND ON BEHALF OF THE BOARD

PLACE : HYDERABAD

K. SRINIVASA RAO

S.Y. SREE KUMAR

DATE : 26th August 2002

MANAGING DIRECTOR

JOINT MANAGING DIRECTOR



ANNEXURE - A to Directors' Report

Particulars furnished pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

- A. **Conservation of Energy:** The Company is not a manufacturing Company and hence the details in respect of the above are not applicable.
- B. **Research and Development:** The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.
- C. **Technology Absorption:** Nil.
- D. **Disclosure of particulars to foreign exchange earnings and outgo:**

Foreign Exchange outgo during the current account period : Rs. 21,14,798

Foreign Exchange Earnings : NIL

MANAGEMENT DISCUSSION & ANALYSIS REPORT

(Pursuant to Clause 49 of the listing agreement)

OVERVIEW: - INDUSTRIAL STRUCTURE

The much-apprehended US economy slowdown and the recession becoming factual, it has started showing fatal results effects on global markets especially the Information Technology Industry. As a result, there has been a number of profit warnings and cost reduction drives in the industrial sector both internationally and nationally. This global economic slowdown has resulted in termination and retrenchment of a huge number of employees in Information Technology Industry. With operational improvements undertaken by your company and focus on Internet related Services and the cost reduction drive, your company's management is making efforts to widen its net to Karnataka and Maharashtra. The modern world is realizing the value of information flow at high speed. Internet being the fastest mode of disseminating information, by concentrating on this business, your Directors are confident of improving business results in the years to come.

Opportunities and Threats

The Company is making rigorous efforts to strengthen its business both in domestic and foreign market. The Company is building alliances with best marketing agencies. The continued recession world wide resulted in a pause in the process of growth. However, the experts hope that we will witness a rapid growth in the industry and your company will not lose any opportunity in encashing from the prospective growth.. Your company identifies the following opportunities which may crop up in the forthcoming year.

Opportunities

- Major demand for IT professionals in Europe and Malaysia can be encashed.
- Major opportunities in GIS Engineering Services, Call Centers and back office opportunities can be exploited.
- The desire of Government and Public Sector undertakings to computerize their systems is another source of business.
- IT training services is one potential area.