

Online Media Solutions Limited



Infotainment Unbound

REPORT JUNCTION.com

5th Annual Report 2002 - 2003



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. Vijay Kumar	- Director
Smt. Polam Sujana	- Director
Sri M. Sanjay Kumar	- Director
Sri Rama Srinivas	- Director

Auditors

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

REGISTERED OFFICE:

3-5-874/A, 4th and 5th Floor,
Vipanchi Estate, Hyderguda, Hyd-29

Bankers

Central Bank of India,
Charminar Branch, Hyderabad

Tamilnadu Mercantile Bank Limited
Kishanganj Branch, Hyderabad

UCO Bank
Abids Circle Branch, Abids, Hyderabad.

SHARE TRANSFER AGENTS

Physical Registrars

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

Electronic Registrars:

Aarathi Consultants Pvt. Ltd.,
1-2-285, Domalguda
Hyderabad - 500 029

NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the members of **M/s. ONLINE MEDIA SOLUTIONS LIMITED** will be held on **Tuesday, the 30th September, 2003 at 11.00 a.m.** at Hotel Shivani, 4-106, Opp., Mega Theatre, Dilsukh Nagar, Hyderabad – 500 660 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, 2003 and the Balance Sheet as on that date together with the Reports of the Directors' and Auditor's for the year ended 31st March, 2003.
2. To appoint a Director in the place of Sri S.Y. Sree Kumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri P. Vijay Kumar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Sri M. Sanjay Kumar, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and authorise the Board to fix their remuneration:

To consider and if thought fit, to pass the following resolution, with or without modification(s) as a **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”.

By order of the Board
For ONLINE MEDIA SOLUTIONS LTD.,

Place : Hyderabad
Date : 2nd September, 2003

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 ON 29TH SEPTEMBER, 2003 AND 30TH SEPTEMBER, 2003.
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.

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fifth Annual Report and the Audited Accounts of your company, together with the Schedules and notes thereon, for the Financial Year ended 31st March, 2003.

FINANCIAL RESULTS:

	(Rupees in Lakhs)	
PARTICULARS	2002-03	2001-02
Income from Operations	177.86	280.37
Profit/(Loss) before Interest and depreciation	72.96	60.21
Interest	2.24	3.89
Depreciation	54.77	47.60
Profit after Tax & depreciation	6.08	3.30
Provision for Deferred Tax	5.58	1.32
Balance brought forward	(18.29)	(20.27)
Balance carried forward	(17.09)	(18.29)

PERFORMANCE :

Your company's gross turnover for the year under review is Rs.1,77,85,931 compared to Rs.2,80,37,194 achieved during the previous year. The Profit After Tax of the Company as on 31st March, 2003 is Rs. 6,08,500 as against Rs. 3,29,835 achieved during the previous year. The other income for the year is to the tune of Rs. 7,26,942 when compared to Rs. 1,73,439 in the last year.

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.

The market for Software and Internet related services continues to be in the recession with the impact of the war carried out by the United States of America on Iraq. This has also kept the foreign projects on hold

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to clause 49 of the listing Agreement with the stock exchanges the Reports on Management Discussion & Analysis are given in Annexure 'A'.



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, 2003, 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, 2003;
- * 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 2003, 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, Sri S.Y. Sree Kumar, Sri P. Vijay Kumar, and Sri M. Sanjay Kumar - Directors, will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

During the period under review Sri K. Radhakrishna Murthy, - Director of the Company had resigned from the office of Director due to preoccupation. The Board of Directors places on record its appreciation for the valuable services rendered by Sri K. Radhakrishna Murthy as Director, during his 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.



ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(e) OF THE COMPANIES ACT, 1956.

- (a) Conservation of Energy : The Company is monitoring the consumption of energy and is indentifying measures for conservation of energy.
- (b) (i) technology Absorption, Adaptation and innovation:- No technology either indigenous or Foreign is involved.
(ii) Research and Development (R & D): No research and Development has been carried out.
- (c) Foreign exchange earnings : Rs. Nil
Foreign exchange outgo : Rs. 1,87,526/- towards Travelling and others.

PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report no employee was in receipt of remuneration of Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- or more per month where employed for a part of the year.

COMPLIANCE OF LISTING AGREEMENT

Presently the company's Equity shares are listed at Hyderabad Stock Exchange and Mumbai Stock Exchange and the company yet to be paid the Annual Listing Fees up to the year 2003-04.

REPORT ON CORPORATE GOVERNANCE

In orer to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement incorporating the code of corporate governance to listed companies. Your Company has always been committed to the best practices in the governance of its affairs. Your company had taken steps and complied with most of the recommendations during the year. For the year under review, the Compliance Report is provided in the Corporate Governance section in this Report. The Auditors' Certificate on compliance with the mandatory requirement of Corporate Governance is given in "Annexure "B" to 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

K.V.N. LAKSHMI
EXECUTIVE DIRECTOR

K. SRINIVASA RAO
MANAGING DIRECTOR

S.Y. SREE KUMAR
JOINT MANAGING DIRECTOR

Place : Hyderabad

Date : 2nd September, 2003



ANNEXURE - A

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW: - INDUSTRIAL STRUCTURE

The Information Technology Industry is still under recession. The Industry was gradually recovering from fatal affects of Terrorist attacks on Twin Towers, when the United States of America along with its allies started a War on Iraq apprehending Weapons of Mass Destruction. This resulted in heavy slowdown of the World economy. Indian IT Industry that is highly dependent on projects from foreign countries was affected adversely. As the world expected the US strikes to last for a longer period, the much sought after projects failed to see the light of the day. Your Company was no exception to the situation.

With technological changes made by your company and continued focus on Internet related Services and the persistent cost reduction, your management is making all efforts to further its net.

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 various agencies. The continued recession worldwide resulted in a pause in the process.. However, the experts hope that we will witness normalcy. your management will grab every opportunity to excel. Your company identifies the following opportunities:

Opportunities:

- < Major demand for IT professionals in Europe and Malasya can be encashed.
- < Major opportunities in GIS Engineering Services and Business Process Outsourcing (BPO) and E-Governance opportunities can be exploited.
- < The increased demand for net based communication is a source of business.
- < IT training services is one potential area.

Threats:

- ⊙ Impact of Gulf War.
- ⊙ Competition from emerging countries like China is posing an impediment.
- ⊙ Inadequate growth in the domestic market.
- ⊙ Technological obsolescence