

Online Media Solutions Limited



**7th Annual Report
2004-2005**



BOARD OF DIRECTORS

Sri Rama Srinivas	Chairman & CEO
Sri K. Srinivasa Rao	Director
Sri N. Vijaya Seckar	Director
Sri Ellath Kandy Surendran	Director
Sri D. Penchala Srinivas	Director
Sri Travis Caddell	Director
Sri Shyam Bhethanabhotla	Director

AUDITORS

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

BANKERS

Central Bank of India
Charminar Branch, Hyderabad.

Tamilnadu Mercantile Bank Limited
Kishanganj Branch, Hyderabad.

UCO Bank
Abids Circle Branch, Abids, Hyderabad.

REGISTERED OFFICE

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

SHARE TRANSFER AGENTS

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

Report  Junction.com



NOTICE

NOTICE is hereby given that the **Seventh** Annual General Meeting of the members of **ONLINE MEDIA SOLUTIONS LIMITED** will be held on Thursday, the 15th Day of December, 2005 at 11.00 a.m. at 1-8-179, Lions Bhavan, Lakhpat Building, Paradise Circle, Secunderabad – 500 003 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 2005 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors for the year ended 31st March, 2005.
2. To appoint a Director in the place of Sri K. Srinivasa Rao, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Sri Ravi Seelamsetty as Director in the place of Sri N. Vijaya Seckar, Director, who retires by rotation.

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 Sections 255, 256 & 257 and such other applicable provisions if any of the Companies Act, 1956 Sri Ravi Seelamsetty be and is hereby appointed as Director of the company in place of Sri N. Vijaya Seckar, Director, whose term of office shall be liable to determination by retirement of directors by rotation".

4. 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 an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. P. Murali & Co, Chartered Accountants, (earstwhile 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 the following resolution, with or without modification(s) as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any of the Companies Act, 1956 Sri Ellath Kandy Surendran be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

6. 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 257 and other applicable provisions, if any of the Companies Act, 1956 Sri Devineni Penchala Srinivas be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

7. 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 257 and other applicable provisions, if any of the Companies Act, 1956 Sri Travis Caddell be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."



8. 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 257 and other applicable provisions, if any of the Companies Act, 1956 Sri Shyam Bhethanabhotla be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

9. To consider and if thought fit, to pass the following resolution, with or without modifications as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 94, 95 and other applicable provisions, if any, of the companies Act, 1956 (including any statutory modifications or reenactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the company, the listing agreement entered into between the company and Stock Exchanges, applicable guidelines issued by the Securities Exchange Board Of India (SEBI), Reserve Bank of India (RBI), other Regulatory / Statutory Authorities, all other applicable Rules and Regulations, subject to such approvals, consents, sanctions of the said authorities, which may be agreed to by the Board of Directors of the company, (hereinafter referred to as "the Board", which term shall include any Committee thereof), the Consent of the members be and is hereby accorded to the Company for effecting sub-division of the paid-up equity share capital of the Company comprising of 10504300 (One Crore Five Lacs Four Thousand Three Hundred) Equity shares of Rs.10/- each in the equity capital of the company into 52521500 (Five Crores Twenty Five Lacs Twenty One Thousand Five Hundred only) Equity shares of Rs.2/- each.

RESOLVED FURTHER THAT in pursuance of Section 16 and other applicable provisions of the Companies Act, 1956, the existing clause V of the Memorandum of Association of the Company be substituted with the following Clause:

The Authorized Share Capital of the company is Rs.13,00,00,000/-(Rupees Thirteen Crores only) divided into 65000000 (Six Crores Fifty Lacs) equity shares of Rs. 2/- each.

RESOLVED FURTHER THAT in pursuance of Section 31 and other applicable provisions of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be substituted with the following Clause:

The Authorized Share Capital of the company is Rs.13,00,00,000/-(Rupees Thirteen Crores only) divided into 65000000 (Six Crores Fifty Lacs) equity shares of Rs. 2/- each

RESOLVED FURTHER THAT the nominal value of Equity shares wherever it appears in the Memorandum and Articles of Association of the Company or any other documents of the Company be replaced by Rs.2/- (Rupees two only) in place of Rs.10/-.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary in the best interest of the Company for giving effect to the aforesaid resolutions and is further authorized to delegate all or any of the powers to any committee of directors of the Company for implementing the aforesaid resolutions.

BY ORDER OF THE BOARD OF DIRECTORS
for ONLINE MEDIA SOLUTIONS LIMITED

Sd/-

K. SRINIVASA RAO
DIRECTOR

PLACE : HYDERABAD
DATE : 03.11.2005



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 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 slip 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 12th December, 2005 to 15th December, 2005 (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.

Details of Director seeking appointment / reappointment at the ensuing Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges).

Name of the Director	Date of Birth	Date of Appointment	Qualification	Expertise in functional area	List of companies in which Outside directorship held as on 31.3.2005
Sri K. Srinivasa Rao	09.05.1963	15.06.99	B.Com	Management	Satyamaharshi Power Corporation Ltd.
Sri Ravi Seelamsetty	15.04.1973	N/A	B.E. (Mechanical) M.S. (Mechanical Engineering, University of Michigan, USA)	Technical	None
Sri Ellath Kandy Surendran	15.04.1956	30.09.05	B.E. (Electronics)	Technical	S.R.V. Telecom Pvt. Ltd.
Sri D. Pnecchala Srinivas	15.06.1970	30.09.05	B.Com	Management and Finance	None
Sri Travis Caddell	23.01.1977	30.09.05	Bachelor of Science. (Computer Science) (University of North Carolina, USA)	Technical	None
Sri Shyam Bhethannabhotla	26.01.1967	30.09.05	Masters in Science (University of Florida, USA)	Technical	Aigle Technologies and Service Inc. USA



EXPLANATORY STATEMENT

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

Item No. 3

Sri N. Vijaya Seckar, Director of the company retires by rotation at the ensuing Annual General Meeting. The Company has received a notice from the shareholders under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- signifying their intention to appoint Sri Ravi Seelamsetty as Director in place of Sri N. Vijaya Seckar who retires by rotation at the ensuing Annual General Meeting. Sri Ravi Seelamsetty's office shall be liable to determination by retirement of directors by rotation in terms of Section 255 of the Companies Act, 1956.

A brief profile of Sri Ravi Seelamsetty is given below for your information:

Sri Ravi Seelamsetty is a Bachelor of Engineering (Mechanical) from Osmania University. He has completed M.S. (Mechanical Engineering) from the University of Michigan, U.S.A. He has an experience of 8 years in Information Technology Industry. Sri Ravi Seelamsetty worked with **Cell Exchange Inc.**, Cambridge, MA, as COO. He is a founder and CEO of **Cinoni Inc.**, Boston MA. Founding Member and Lead Architect of **C-bridge Internet Solutions**, Cambridge, MA and had lead high profile engagements in **Carlton and United Breweries**, Melbourne, Australia, **Aviall Inc.**, Dallas, TX, **Cardinal Health**, Dublin, **AEGON N.V.**, Den Haag, the Netherlands, **Liz Clairborne International**, NY, NY, **Chevron Corp.**, San Ramon, CA, **All America Financial**, Worcester, MA, and **Caterpillar**, Peoria, IL.

Your Directors recommend the appointment of Sri Ravi seelamsetty as Director. None of the Directors is interested in the Resolution

Item No. 4

The present Statutory Auditors of the Company M/s. Mogili Sridhar & Co. Chartered Accountants, Hyderabad have reconstituted their firm and changed the firm name to P. Murali & Co. Chartered Accountants. The Statutory Auditors retire at the conclusion of ensuing Annual General Meeting and offer themselves for re-appointment with their changed name viz., P. Murali & Co., Chartered Accountants.

Your Directors recommend the reappointment of the Statutory Auditors. None of the Directors is interested in the Resolution.

Item No. 5

Sri Ellath Kandy Surendran was appointed as Additional Director on the Board w.e.f 30.09.2005 in terms of Section 260 of the Companies Act, 1956, and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from the shareholders under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- signifying their intention to appoint Sri Ellath Kandy Surendran as Director whose office shall be liable to determination by retirement of directors by rotation in terms of Section 255 of the Companies Act, 1956.

A brief profile of Sri Ellath Kandy Surendran is given below for your information:

Sri Ellath Kandy Surendran is a Bachelor of Engineering (B.E. Electronics). He has an experience of 8 years as Signal Technical Assistant in NAL. He is presently Managing Director of S R V Telecom Private Limited. Your Directors are confident that his presence in the Board of Directors provides tremendous strength and his expertise bestows value addition to the quality of services rendered by the Company.

Your Directors recommend the appointment of Sri Ellath Kandy Surendran as Director. None of the Directors except Sri Ellath Kandy Surendran is interested in the Resolution.



Item No. 6

Sri Devineni Panchala Srinivas was appointed as Additional Director on the Board w.e.f 30.09.2005 in terms of Section 260 of the Companies Act, 1956, and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from the shareholders under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- signifying their intention to appoint Sri Devineni Panchala Srinivas as Director whose office shall be liable to determination by retirement of directors by rotation in terms of Section 255 of the Companies Act, 1956.

A brief profile of Sri Devineni Panchala Srinivas is given below for your information:

Sri Devineni Panchala Srinivas is a Bachelor of Commerce (S.V.University). He has an experience of over 15 years in wide spectrum of industries in the areas of Management and Liaison. He has worked in multi-national Companies like Ford Motor Company, Ford Credit, and Ciber. He, as a project lead at Ford Credit was involved in the automation of dealer business and also instrumental in implementing the dealer portal project. He has a remarkable expertise in the areas of Management and Liaison. Your Board of Directors are confident that he will play a vital role in the Company's new business ventures.

Your Directors recommend the appointment of Sri Devineni Panchala Srinivas as Director. None of the Directors except Sri Devineni Panchala Srinivas is interested in the Resolution

Item No. 7

Sri Travis Caddell was appointed as Additional Director on the Board w.e.f 30.09.2005 in terms of Section 260 of the Companies Act, 1956, and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from the shareholders under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- signifying their intention to appoint Sri Travis Caddell as Director whose office shall be liable to determination by retirement of directors by rotation in terms of Section 255 of the Companies Act, 1956.

A brief profile of Sri Travis Caddell is given below for your information:

Sri Travis Caddell is a Bachelor of Science (Computer Science) from University of North Carolina, USA. His line of expertise includes Architecture and Design, Networking, Structures and Algorithms, Software Engineering, Database Design, Discrete Math and Object oriented Programming.

He has vast experience in Software Development for embedded systems, Schedule planning for software development and performance testing of Web applications. Your directors are confident that his Professional experience plays a pivotal role in re-shaping the company's business perspective.

Your Directors recommend the appointment of Sri Travis Caddell as Director. None of the Directors except Sri Travis Caddell is interested in the Resolution

Item No. 8

Sri Shyam Bhethanabhotla was appointed as Additional Director on the Board w.e.f 30.09.2005 in terms of Section 260 of the Companies Act, 1956, and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from the shareholders under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- signifying their intention to appoint Sri Shyam Bhethanabhotla as Director whose office shall be liable to determination by retirement of directors by rotation in terms of Section 255 of the Companies Act, 1956.

A brief profile of Sri Shyam Bhethanabhotla is given below for your information:



Sri Shyam Bhethanabhotla has completed Masters in Sciences, (Database Management Systems), from University of Florida, USA. He has 14 years of experience in the IT / IT enabled Services sector with 7 years of experience in Senior Management in the Domestic and International markets managing large revenue responsibilities. He is presently Head of New Ventures & Business Development at Reliance Infocomm Ltd., Mumbai. He has a thorough knowledge of IT Services and BPO services. He is also well experienced in managing large operations, formulating and implementing marketing strategies and developing new market segments, Business acquisition and full portfolio of technology services. Your Directors are confident that his technical and managerial expertise contributes a great deal in shaping the company's idea of exploring new business avenues and implementing the business modules in an efficient manner.

Your Directors recommend the appointment of Sri Shyam Bhethanabhotla as Director. None of the Directors except Sri Shyam Bhethanabhotla is interested in the Resolution

Item No.9

In the changing equity capital market scenario, and also in order to encourage participation of retail investors, sub-division of shares by the Company has become expedient.

The Company envisages that this would encourage the investors and strategic business alliances to invest in the Company as the rate of risk is reduced to the face of Rs.2/-.

Eventually, a shareholder holding one share of Rs.10/- each fully paid up, will now have 5 share of Rs.2/- fully paid. The situation is explained in the table. If a shareholder is now holding one share, then his holding after the sub-division will be as below

Before Sub-division			After Sub-division		
No. of shares	Face value (per share)	Paid-up value (per share)	No. of shares	Face Value (per share)	Paid-up value (per share)
1	10/-	10/-	5	2/-	2/-

In terms of provisions of Companies Act, 1956 consent of the members of the Company is necessary for aforesaid proposal and consequent alteration of the Memorandum and Articles of Association of the Company by way of a Special Resolution.

The Directors of the company may be deemed to be interested in the aforesaid proposal to the extent of the Shares held by them in the Company on their own as well as through their relatives and / or through company in which they have an interest.

The Board recommends the resolution for approval of members.

BY ORDER OF THE BOARD OF DIRECTORS
for ONLINE MEDIA SOLUTIONS LIMITED

Sd/-

K. SRINIVASA RAO
DIRECTOR

PLACE : HYDERABAD
DATE : 03.11.2005

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Seventh Annual Report and the Audited Accounts of your company, together with the Schedules and notes thereon, for the Financial Year ended 31st March, 2005.

FINANCIAL RESULTS :

(Rupees in Lakhs)

PARTICULARS	2004-05	2003-04
Total Income	90.03	136.46
EBITDA	(324.96)	73.37
Interest	0.00	0.00
Depreciation	640.63	55.16
Amortization	10.54	11.88
Tax	0.00	0.49
Profit after Tax	(976.13)	5.84
Provision for Deferred Tax Asset (Liability)	16.29	(30.85)
Others	37.81	0.00
Balance brought forward	(42.10)	(17.09)
Balance carried forward	(964.13)	(42.10)

PERFORMANCE :

Your company's gross income from operations for the year under review is Rs.90.03 lacs compared to Rs.136.46 lacs achieved during the previous year. The Company has suffered a Loss of Rs. 976.13 Lacs as on 31st March, 2005 as against a Profit of Rs. 5.84 lacs achieved during the previous year. The other income for the year is to the tune of Rs. 9.28 lacs when compared to Rs.16.32 lacs in the last year.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

Reports on Management Discussion & Analysis and status report on compliance of Corporate Governance are annexed hereto and form part of this 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, 2005, 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, 2005;