

# **Online Media Solutions Limited**



**9th Annual Report  
2006-2007**



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## BOARD OF DIRECTORS

Sri P.V. Narasimha Rao  
Sri Ellath Kandy Surendran  
Sri D. Penchala Sreenivas  
Sri Clinton Travis Caddell  
Sri Shyam Bhethanabhotla

Executive Director  
Director  
Director  
Director  
Director

## AUDITORS

M/s. P. Murali & Co.,  
Chartered Accountants  
6-3-665/2/3, Somajiguda  
Hyderabad – 500 082

## BANKERS

Central Bank of India  
Charminar Branch, Hyderabad

Uco Bank  
Abids Circle Branch, Hyderabad

## REGISTERED OFFICE

9-1-83 & 84  
Amarchand Sharma Complex  
S.D. Road  
Secunderabad – 500 003

## SHARE TRANSFER AGENTS

Aarathi Consultants Private Limited  
1-2-285, Domalguda  
Hyderabad – 500 029



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## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of ONLINE MEDIA SOLUTIONS LIMITED will be held on Thursday, the 27<sup>th</sup> day of September, 2007 at 11.30 A.M. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad – 500 051 to transact the following business :-

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2007 together with the Reports of the Directors and Auditors for the year ended 31<sup>st</sup> March, 2007.
2. To appoint a Director in place of Mr. Clinton Travis Caddell, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. D.P. Sreenivas, Director who retires by rotation and being eligible offers himself for re-appointment
4. To appoint Auditors and authorize 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** M/s P. Murali & 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 Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act the consent of the Company be and is hereby accorded for appointment of Mr. P V Narasimha Rao as Executive Director of the Company for a period of one year with effect from 1st May 2007.”

**“FURTHER RESOLVED THAT** the board has decided not to pay any remuneration until further decided.”

**By order of the Board  
For ONLINE MEDIA SOLUTIONS LIMITED**

Sd/-  
**P V Narasimha Rao  
Executive Director**

Place: Secunderabad  
Date: 25th August, 2007



## 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 appointment 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 22<sup>nd</sup> September, 2007 to 27<sup>th</sup> September, 2007 (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.

**Additional information on Directors recommended for Appointment /Seeking Re-election at the ensuing Annual General Meeting pursuant to the provisions of clause 49 of the listing agreement entered with stock exchanges.**

### **Mr. Clinton Travis Caddell**

Mr. Clinton Travis Caddell aged 31 years also a Director in Goldstone Technologies Limited, he holds Bachelor of Science (Computer Science) from University of North Carolina, USA. His line of expertise includes Architecture and Design, Networking, Structures, Algorithms, Software Engineering, Data Base, Discrete Math and Object Oriented Programming. He is having over 6 years of experience in Industry and Business. Mr. Clinton Travis Caddell worked as Software Engineer at Lockheed Martin, USA for a period of 6 years.

### **Mr. D P Sreenivas**

Mr. D P Sreenivas aged 34 years also Director in Goldstone Technologies Limited, Bachelor of Commerce (S V University), he has an experience of over 12 years of Management and Liaison. He has worked in Multi National Companies like Ford Motor, Ford Credit and Ciber. He as a Project Lead at Ford Credit and was involved in the automation of dealer business and also instrumental in implementing the dealer portal project. He is also a committee member of Audit Committee and Share Transfer/ Investors Grievance Committee of Goldstone Technologies Limited.

### **Mr. P.V. Narasimha Rao**

Mr. P.V. Narasimha Rao aged 45 years also Director in Universal Broadcasting Private Limited, he has completed his Masters in Business Management and has an experience of over 20 years. He has a remarkable expertise in the areas of Management and Liaison. He has very good experience in Brand Building, Public & Media Relations.



## **Explanatory Statement**

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

### **Item # 5: Appointment of Mr. P V Narasimha Rao as Executive Director**

The Board of Directors in their meeting held on 30th April, 2007, proposed to appoint Mr.P.V.Narasimha Rao as Executive Director of the Company with effect from 1st May, 2007, on the terms and conditions as detailed in Resolution 5.

Mr.P.V.Narasimha Rao, is having versatile experience in Management, Liaison, Brand Building etc and company would be immensely benefited by appointing him as Executive Director.

Your Directors recommend the resolution for approval of the members.

None of the Directors except Mr.P V Narasimha Rao, are interested in this resolution.

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## DIRECTORS' REPORT

To  
The Members  
Online Media Solutions Limited

Your Directors have pleasure in presenting the Ninth Annual Report on the Business and operations of your Company and the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2007

### Financial Results

Particulars	Rs in Lakhs	
	2006-07	2005-06
Total Income	37.62	17.82
EBITDA	13.11	(3.74)
Interest	6.77	0.40
Depreciation	21.63	3.14
Amortization	0.01	5.39
Tax	5.14	0.18
Deferred Tax	0.29	8.19
Profit After Tax	(20.73)	(4.66)
Prior Period Adjustments	14.70	-
Net Profit / (Loss)	(6.03)	(4.66)
Balance Brought Forward	(968.79)	(964.12)
Balance Carried Forward	(974.83)	(968.79)

### Performance

Your company's total income for the year under review is Rs. 37.62 Lakhs compared to Rs. 17.82 achieved in last year. The Company suffered a loss of Rs. 6.03 Lakhs as on 31<sup>st</sup> March, 2007 as against a Loss of Rs. 4.66 Lakhs during the previous year. Other income for the year is Rs. 32.23 Lakhs as against Rs. 8.20 Lakhs in the previous year.

### 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

### Management Discussion and Analysis

Management Discussion & Analysis report is annexed hereto as an Annexure A and form part of this Report.



### Auditors

*M/s P Murali & Co., Chartered Accountants, Hyderabad Statutory Auditors of your Company retire at the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be appointed as Statutory Auditors of the Company, and are recommended for re-appointment.*

### Directors

Mr. Clinton Travis Caddell and Mr. D P Sreenivas, Directors retire by rotation and being eligible offer themselves for re-appointment. Mr. Janaki Rama Raju and Mr. Rama Srinivas have resigned as Directors with effect from 30<sup>th</sup> April 2007 and 4<sup>th</sup> June 2007. The Board placed appreciation for their valuable services rendered during their tenure on the Board.

### Share Capital

The Company has received approval from the honourable High Court of Andhra Pradesh for reduction of Share Capital in terms of the resolution passed by the shareholders in the previous Annual General Meeting held on 28<sup>th</sup> September 2006. Accordingly the company has filed the same with Registrar of Companies and has initiated steps for reduction of capital from the existing Rs. 10,50,43,000 (Rupees Ten Crores Fifty Lakhs Forty three Thousand only) divided into 1,05,04,300 shares of Rs. 10/- each as Rs. 4,20,17,200/- (Rupees Four Crores Twenty Lakhs Seventeen Thousand and Two Hundred only) divided into 1,05,04,300 equity shares of Rs. 4/- each as fully paid up and that such reduction be effected by canceling the Equity share capital of Rs. 6,30,25,800/- (Rupees Six Crores Thirty Lakhs Twenty Five Thousand and Eight Hundred only)

### Stock Exchange Listing

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Hyderabad Stock Exchange Limited. The Company confirms that it has paid Annual Listing Fees due to all the above stock exchanges for the year 2007-08.

### Directors Responsibility Statement

In accordance with the Section 217(2AA) of the Companies Act, 1956 the Board of Directors Affirm:

- a) That in the preparation of the Accounts for the twelve months period ending 31<sup>st</sup> March, 2007, the applicable accounting standards have been followed and there are no material departures there from.
- b) That the accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2007 and of the profit/loss of the company for the year ended on that date.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the accounts for the year ended 31<sup>st</sup> March, 2007 have been prepared on a going concern.



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## Corporate Governance

A report on Corporate Governance including Auditors Certificate thereon as per Clause 49 of Listing Agreement is contained elsewhere in the Annual Report.

## Balance Sheet Abstract and Company's General Business Profile

Information pursuant to Ministry of Corporate Affairs relating to Balance Sheet Abstract and Company General Business Profile is given in the Annual Report for information of the Shareholders.

## Conservation of Energy/Technology Absorption, Foreign Exchange Earnings and Outgoings.

The particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 217(1)(e) of the companies Act 1956 read with the Companies (Disclosure of Particulars in the Directors Report) Rules 1998 are as follows.

Particulars furnished pursuant to Companies (Disclosure of Particulars in the Directors Report) Rule 1998

- 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 relating to foreign exchange earning and out go**

Foreign Exchange outgo during the current account period : Nil

Foreign Exchange Earnings : Nil

## Acknowledgements

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

**By order of the Board  
For ONLINE MEDIA SOLUTIONS LIMITED**

Sd/-

**P V Narasimha Rao  
Executive Director**

Secunderabad  
25<sup>th</sup> August, 2007



## **ANNEXURE – “A” TO DIRECTORS REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Industrial Structure**

The Information Technology Industry has witnessed a steady improvement despite appreciation in the value of rupee. The Government is also focusing expanding the braod band connectivity through out the country. It gives your company an opportunity to work new business model in the activity of providing internet related services to end users.

Your company has been striving to adapt to the technological changes in the industry and is working to achieve the mission of providing the Internet related services to the end-users.

#### **Review of Operations & Financial Performance**

During the financial year 2006-07, the Company had very lean operations as the Company was evaluating new revenue stream. Your company's total income for the year under review is Rs. 37.62 lakhs compared to Rs. 17.82 achieved in last year. The Company suffered a loss of Rs. 6.03 Lakhs as on 31<sup>st</sup> March, 2007 as against a Loss of Rs. 4.66 Lakhs during the previous year.

Other income for the year is Rs. 32.23 Lakhs as against Rs. 8.20 Lakhs in the previous year

#### **Internal Controls & Systems**

The Internal Audit & Other Internal controls and internal checks implemented in the company are adequate on commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing all transactions and its recording and reporting properly and timely.

The Audit Committee constituted by the Board of Directors reviews regularly the financial and other related aspects as per the requirements of the Corporate Governance.

#### **Human Resource Development & Industrial Relations**

The Industrial relations during the year has been good and satisfactory. The Industrial relations during the year has been good and satisfactory. Due to limited operations, no new welfare measures were undertaken.

#### **Opportunities & Threats**

The Company is making efforts to conclude the discussions on setting up of braod band project in the state of Andhra Pradesh.

The Company is hopeful of concluding the negotiations in the current financial year and to commence its operations.

#### **Opportunities**

- Broad band based projects
- e-Governance
- Optic Fiber based communication



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- All other IT Enabled Services

### **Threats**

- Technological Obsolescence
- Tough competition from business giants

### **Outlook of the year 2007-08**

Company expects firming up of the broad band project during the year 2007-08, for which it is in discussion with the Government.

### **Cautionary Statements**

Statements in the Management Discussion and Analysis describing the Company's objectives projections, estimates, expectations, may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those experienced or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand, supply and price conditions in the domestic/overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other Incidental Factors.

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