

Online Media

Solutions Limited



10th Annual Report
2007-2008



BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Syndicate Bank
Banjara Hills Branch, Hyderabad

Uco Bank
Abids Circle Branch, Hyderabad

REGISTERED OFFICE

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

SHARETRANSFER AGENTS

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



NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of ONLINE MEDIA SOLUTIONS LIMITED will be held on Tuesday 30th day of September, 2008 at 4.00 P.M. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad – 500 051 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2008 together with the Reports of the Directors and Auditors for the year ended 31st March, 2008.
2. To appoint a Director in place of Mr.E.K.Surendran, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr.Shyam Bethanabotla, 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 Members 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 2008.”

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

Place: Hyderabad
Date: 30th August 2008

**P V Narasimha Rao
Executive 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 22nd September, 2008 to 30th September, 2008 (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.



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 29th April, 2008, considered and approved the re-appointment of Mr.P.V.Narasimha Rao as Executive Director of the Company with effect from 1st May, 2008, 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.

This together with terms and conditions of appointment as mentioned in the notice of Annual General Meeting may be treated as an abstract in terms of section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for approval of the members.

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



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.

Name	Mr.E.K.Surendran
Age	52 Years
Qualifications	B.E. (Electornics)
Expertise	Over 12 years in Software Technology
Other Directorships	Nil
Other Committee Memberships	Nil

Name	Mr.Shyam Bethanabhotla
Age	41 Years
Qualifications	M.S. (U.S.A)
Expertise	Technical expert in relation to Entertainment, Media, Cable & Satellite TV Network
Other Directorships	1
Other Committee Memberships	Nil

Name	Mr. P.V. Narasimha Rao
Age	50 Years
Qualifications	M.B.A
Expertise	Over 21 years areas of Management and Liaison. He has very good experience in Brand Building, Public & Media Relations
Other Directorships	4
Other Committee Memberships	2



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DIRECTORS' REPORT

To
The Members
Online Media Solutions Limited

Your Directors have pleasure in presenting the Tenth Annual Report on the Business and operations of your Company and the Audited Financial Accounts for the year ended 31st March, 2008

Financial Results

(Rs. in Lakhs)

Particulars	2007-08	2006-07
Sales Income	8.09	5.39
Other Income	11.36	32.23
Total Income	19.45	37.62
Total Expenditure	27.64	24.51
Interest	5.50	6.77
Depreciation and Write Offs	0.29	21.64
Provision for Tax	0.10	5.43
Profit after Tax	(14.07)	(20.73)
Equity Share Capital (10504300 Shares of Rs. 4/- each) (Previous Year 10504300 Shares of Rs.10/- each)	420.17	1050.43

Performance

Your company's total income for the year under review is Rs. 19.45 Lakhs compared to Rs. 37.62 lakhs achieved in last year. The Company suffered a loss of Rs. 14.07 Lakhs as on 31st March, 2008 as against a Loss of Rs. 20.73 Lakhs during the previous year. Other income for the year is Rs.11.36 Lakhs as against Rs. 32.23 Lakhs in the previous year.

Fixed Deposits

The Company has not accepted any Fixed Deposits during the year under review.

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.

Directors

Mr. E.K.Surendran and Mr.Shyam Bethanabotla, Directors retire by rotation and being eligible offer themselves for re-appointment.



Mr. P.V. Narasimha Rao has been re-appointed as Executive Director with effect from 1st May, 2008 in the Board of Directors Meeting held on 29th April 2008, subject to the Members approval. The Board recommends the appointment of above Directors.

Stock Exchange Listing

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. However, the scrip in BSE is under suspension at present and recompany is taking all steps to get revocation of suspension. The Company confirms that it has paid Annual Listing Fees due to the above stock exchange for the year 2008-09.

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 31st March, 2008, 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 31st March, 2008 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 31st March, 2008 have been prepared on a going concern.

Corporate Governance

A report on Corporate Governance including Auditors Certificate thereon as per Clause 49 of the Listing Agreement is annexed hereto as Annexure B and forms part of this report.

Balance Sheet Abstract and Company's General Business Profile

Information pursuant to Ministry of Corporate Affairs relating to Balance Sheet Abstract and Company's 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) Rules 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

E. Particulars of Employees

None of the Employees was in the receipt of remuneration in excess of limits specified in section 217 (2A) of the companies Act, 1956 read with the companies (particulars of Employees) Rules, 1975.

Acknowledgements

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

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By order of the Board
For ONLINE MEDIA SOLUTIONS LIMITED

Place: Hyderabad

Date: 30th August 2008

P V Narasimha Rao
Executive Director

D.P.Sreenivas
Director



ANNEXURE – “A” TO DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure

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 2007-08, 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. 19.45 lakhs compared to Rs. 37.62 Lakhs achieved in last year. The Company suffered a loss of Rs. 14.07 Lakhs as on 31st March, 2008 as against a Loss of Rs. 20.73 Lakhs during the previous year.

Other income for the year is Rs. 11.36 Lakhs as against Rs. 32.23 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 safeguarding 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. Due to limited operations, no new welfare measures were undertaken.

Opportunities & Threats

The company is presently having potential opportunities in the areas of Broad band, e-Governance, Optic Fiber communication etc.

The company is having potential threats due to technological obsolescence, tough competition from other business giants.

Outlook of the year 2008-09

The Company is making efforts to take up new projects during the current year.

The Company is hopeful that it will take concrete proposals during the current financial year and improve its future business operations.

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.



ANNEXURE – “B” TO DIRECTOR’S REPORT

CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Company’s Philosophy on Code of Governance

The Company envisages the attainment of highest level of transparency in all facets of its operations and in all its interactions with its shareholders, employees and the company.

The company is committed to the best governance norms. It strongly believes in setting the high standards in all its endeavors.

Board of Directors

The Board of Directors of the Company consists of 5 directors. One of them is Executive and others are Non-Executive independent Directors. The Board has taken all the necessary steps to strengthen the Board with optimum combination of Executive and Non-Executive independent Directors. In consonance with the amended Listing Agreement, the Board comprises of majority of independent directors.

During the financial year 2007-08 six Board Meetings were held on the following dates: 7th April 2007, 30th April 2007, 28th July 2007, 25th August 2007, 29th October 2007 and 30th January 2008

The details of attendance at the Board Meetings, AGM and Number of other Directorships and committee Memberships of Directors is given below.

Name of the Director	Designation	Category	Number of Board Meetings held	No of Board Meetings Attended	No of committee positions held in other Companies	Directorships in other Companies	At Last AGM (Yes/No)
Mr. P V Narasimha Rao	Executive Director	Executive Non Independent	6	6	2	4	Yes
Mr. D P Sreenivas	Director	Non Executive Independent	6	4	2	2	Yes
Mr. Clinton Travis Caddell	Director	Non Executive Independent	6	3	NIL	NIL	Yes
Mr. E K Surendran	Director	Non Executive Independent	6	NIL	NIL	NIL	No
Mr Shyam Bhethanabhotla.	Director	Non Executive Independent	6	NIL	NIL	1	No

Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges.

The terms of reference includes:

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.