



Staying agile. Surging ahead.

The realm of Information Technology (IT) has been a fast changing landscape, and the pace of change has kept up. With the rapid proliferation of IT across organisations of all kinds and sizes, IT Infrastructure's significance as a vital life-support system has grown manifold.

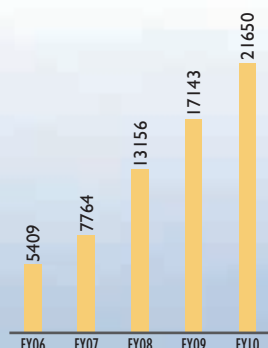
The rapid advances in IT and its concurrent absorption into everyday work operations has resulted in the IT backbone getting complex and sophisticated. Identifying and partnering a dependable expert ally to manage their sophisticated IT Infrastructure is becoming a mission critical for the corporations today. In order to deliver optimal performance, organisations need to manage their IT Infrastructure reliably, safely, scalably and cost-effectively.

Omnitech has created a niche for itself in the Managed IT Services domain. It has been partnering clients from across the business verticals and geographies. With its diverse suite of knowledge-based IT services and solutions, it has been transiting from the role of a transactional ally and increasingly becoming a strategic IT partner. The role reversal is ensuring the longer-term engagement with customers and thereby increasing revenues.

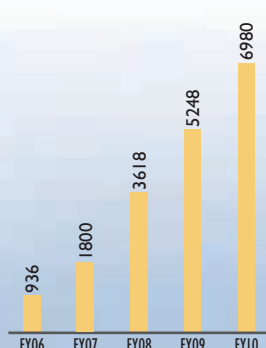
The key attributes of successful partnerships are expertise in Managed Services space, support across customer geographies, impeccable data security standards, responsiveness to new/additional requirements, and cost advantages. Demonstrating agility in each of them, Omnitech is surging ahead.

Financial Highlights

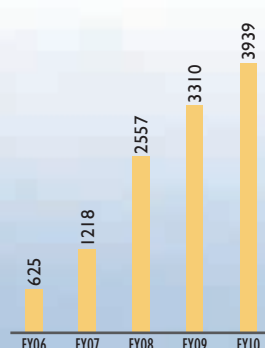
Sales (Rs. Lakh)
CAGR 41.44%



EBITDA (Rs. Lakh)
CAGR 35.27%



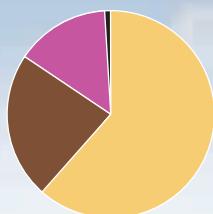
PAT (Rs. Lakh)
CAGR 58.46%



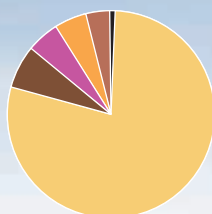
EPS (basic) (Rs.)
CAGR 30.71%



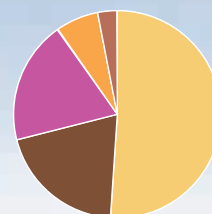
Revenue Mix by Segment



Revenue Mix by Region



Revenue Mix by Industry



Business Availability 61.5%
Business Continuity 15%
India 79%
Middle East 5%
Japan 4%
BFSI 51%
IT & ITES 19%
Others 3%
System Integration 23%
Other Income 0.5%
Europe 6.5%
US 5%
Canada 0.5%
Manufacturing 20%
Services 7%

Key Financial Data

Particulars	FY10	FY09	FY08	FY07	FY06
Total Operating Income (Rs. Lakh)	21650	17143	13156	7764	5409
EBITDA from Operations (Rs. Lakh)	6980	5248	3618	1800	936
Profit before Tax (Rs. Lakh)	5029	4178	3000	1349	641
Profit after Tax (Rs. Lakh)	3939	3310	2557	1218	625
EPS (basic) (Rs.)	29.57	25.19	21.54	13.29	10.13
Cash EPS (basic) (Rs.)	39.72	31.24	22.3	16.01	13.65
EBITDA Margin (%)	32%	31%	27%	23%	17%
Net Profit Margin (%)	18%	19%	19%	16%	12%
Dividend Payout Ratio (%)	15%	12%	12%	10%	10%
Share Capital (Rs. Lakh)	1386	1314	1314	941	605
Reserves & Surplus (Rs. Lakh)	15720	10806	7680	2144	1040
Loan Funds (Rs. Lakh)	4392	3323	1855	954	892
Net Block (Rs. Lakh)	12256	6789	3957	1952	1256
Net Current Assets (Rs. Lakh)	8771	7348	3937	2163	1437
Return on Average Net Worth (%)	26.96%	31.35%	42.35%	51.50%	45.71%
Debt Equity Ratio (x)	0.26	0.27	0.21	0.31	0.54
Interest Coverage Ratio (x)	11.87	12.02	13.2	9.56	7.86
Current Ratio (x)	4.25	4.97	4.47	3.48	4.29

Figures have been rounded off except for EPS, Margins, Ratio and Returns



Guidance Vs. Performance

What We Aimed at for FY 10

- To achieve revenue growth of 15-20%
- To add another Disaster Recovery Center (OmniCenter)
- To achieve 3 certifications (IT service Management ISO 20000, Information Security ISO 27001 and Business Continuity BS 25999)
- To increase services' contribution to total revenue for enhancing profit margins
- To make one international acquisition

What We Achieved in FY 10

- Revenue growth of 26%
- Opened OmniCenter Disaster Recovery Center at Hyderabad and became India's first company to have multi location Disaster Recovery Centers
- Got certified for 3 certifications – BS 25999 (Business Continuity), ISO 27001 (Data Security), and ISO 20000 (ITIL framework)
- Grew services' contribution to 76% (from 72%) and expanded EBITDA margins to 33% (from 31%)
- Couldn't conclude an attempted acquisition (courtesy, strict labor laws). Completed one Joint Venture in Far East and opened a wholly owned subsidiary in Netherlands to cater to European market.

What We Are Aiming at in FY 11

- To achieve organic revenue growth of 30%
- To open the third OmniCenter
- To establish BFSI-specific practices globally
- To expand presence to Hyderabad, Bangalore and Delhi NCR
- To complete one International acquisition
- To enter into cloud based services

Agility in Expertise

Omnitech helps customers in deploying IT to their competitive advantage and lower the cost of operations. It helps clients derive optimum availability and efficiency of their IT Infrastructure, 24x7x365. It also enables them secure seamless availability of their IT backbone in case of any disruptive calamity – natural or otherwise.

Omnitech's holistic suite of services spread the entire IT life cycle – from consulting to planning to deployment to maintenance to upgrading to recovery and covers the entire IT set up – Computing Environment, Networking, and Application Infrastructure.

BUSINESS AVAILABILITY SERVICES: In the fast paced world of today, key to success for many businesses lay in near absolute uptime. Omnitech helps clients score high on this parameter with a host of Business Availability Services across infrastructure (consulting, managed services, data centre management, enterprise solutions) and applications (consulting, management, development and independent testing) domains.

Staying agile, Omnitech has mastered the art of delivery of Infrastructure Management Services (IMS) from a remote location. Most of its clients are encouraged to migrate to Remote Infrastructure Management (RIMS); which offers lowered cost, enhanced efficiency and pro-active monitoring of systems and servers in a preventive manner. Omnitech's Network Operation Centre (NOC) enables IT engineers track, analyse and manage the issues remotely in most of the occasions. Its vast spread of onsite support team complements the NOC team.

Omnitech offers application development and management services, which are customised to customer requirements. It leverages its strategic alliance with global technology leaders and collaborates with its customers in developing and deploying custom applications, best suited for their business requirements. Omnitech deploys SDLC framework that defines the activities to be performed at each stage of the development project; and emphasizes the stage-wise verification, validation and testing of the product in parallel with the corresponding phase of development. Independent testing is intrinsic to Omnitech's application development process.

Omnitech also provides Performance Management and Software Testing Services that tests the functionality and performance of the application and compares results either with accepted performance benchmarks, which may be universal or empirically derived, or benchmarks the performance against third party products in a similar environment.

For enterprise customers looking for a single window, Omnitech provided end-to-end turnkey solutions—from need assessment to planning to implementation and maintenance of the IT Infrastructure and its applications. It also assists clients in project execution with its range of business support services offers.

Omnitech's WebSphere Competency Center houses skilled consultants with broad architectural knowledge, technical skills and best practice expertise and offers technical services and training for WebSphere Technology.

The nest of Bald Eagle can be as wide as ten feet. They are able to see for one to one and a half miles away.

Long sharp beaks and curved talons help them to hold on to prey.



BUSINESS CONTINUITY SERVICES: The uncompromising continuous functioning of the business is a key challenge facing many sectors in today's global business environment. Avoiding outages in the face of any incidental disaster is becoming vital to their success. Omnitech's Business Continuity Services include consulting, risk assessment, business impact analysis, recovery strategy formulation, implementation of a robust recovery plan and program management. The key to successful program management lay in limiting the impact of the disaster on people, processes, data and infrastructure; which can be achieved with a comprehensive plan that secures timely and most productive deployment of people, processes and even non-IT infrastructure like workspace.

Omnitech's bouquet includes Application and Database fail-over solutions; design and implementation of Disaster Recovery sites; green and resilient datacenter design; server/storage consolidation and virtualisation; and Data Vaulting.

Having launched the first OmniCenter – country's first third-party work area recovery center in Navi Mumbai in February 2008, Omnitech added another facility-rich OmniCenter at Hyderabad during the current year. It is on course to add more OmniCenters in order to extend the benefit of this pro-active measure to more and more businesses.

Omnitech is poised to launch Cloud based services which offer its customers a complete agility in business computing. It is working on various solutions based on:

- Infrastructure as a Services (IaaS) – Offering elastic infrastructure based on pay for usage
- Platform as a Service (PaaS) – Offering various industry vertical integrated solutions
- Software as a Service (SaaS) – Tools / Applications based on pay for usage
- Hosted DR (Warm / Hot) – DR site in cloud
- Virtual Work Place Area Recovery (VWAR) – Business made available anywhere

BUSINESS ENHANCEMENT SERVICES: In their attempt to sail through recessionary headwinds, organisations across the globe have rediscovered the age old wisdom in conservative cost regime. With IT related spends being no exception, 'Doing more with less' has become an important Key Performance Indicator (KPI) for CIOs today. Companies are increasingly reviewing what IT Infrastructure they already have, how much of it they are actually using, do they need to buy more and how efficiently are they using it.

While Omnitech has since long been helping its customers derive an enhanced performance from their IT Infrastructure, it sensed a bigger opportunity in this domain with more and more organisations becoming sensitive to performance optimisation. In order to approach this domain with singleton focus, it did re-organise its suite of performance enhancement services under Business Enhancement Services during the fiscal year 2009-10. Its Business Enhancement Services include Remote Infrastructure Management, Managed Printing, Bandwidth Optimisation, Thin Client, Virtualisation and Shared Disaster Recovery.



- Head Quarters
- Branch Office
- ◆ Partner Presence

With its impressive wingspan, the Bald Eagle travels great distances. It may have one or more alternate nests in the breeding territory.



Agility across Geographies

Omnitech's foray into Europe during a recessionary time was a well-judged move. It established a subsidiary in Netherlands to offer quality services that have the India advantage in pricing.

Its presence in the Far East was also established during the current year through a joint venture in Singapore with Attiva Services Pte Ltd named Omnitech Services Pte. Ltd. The focus remains on leveraging BFSI specialisation of Attiva to geographies beyond Far East and expand its global reach.

Customers from across the world partner with Omnitech today, to derive higher productivity, predictability and profitability from their IT Infrastructure and Applications by deploying its range of services in Business Availability, Continuity and Enhancement domains.

In India, the Company made significant progress in shifting customers from IMS to Remote IMS (RIMS) during the year. Most of these contracts were renewed for multiple year terms. RIMS offers measurable benefits for customers as well as the Company. Requiring less manpower, it brings cost advantage to customers. Being non-linear in nature, it does not demand proportionate increase in manpower, while the business is scaled up. RIMS, for these reasons, enhances Company's margins as well as capability to serve more customers at proportionately lesser investments.

This is a business segment with a considerable growth potential and Omnitech is well-poised to benefit from it. Around a hundred billion US dollars is the NASSCOM estimate of the global market for RIMS, of which 13-15% of the offshored IT infrastructure management is expected to be serviced by India by 2013. The domestic demand for RIMS in India is growing at a CAGR of 30% from about Rs. 550 crore in 2008.

Post its pioneering leadership in Disaster Recovery/Business Continuity Planning, the Company is targeting to be a market leader in this upcoming business domain in the Middle East and Asia and progressing well in this direction.

Omnitech's international presence today covers the USA, Canada, the United Kingdom, Belgium, Netherlands, Bahrain, Japan, Hong Kong and Singapore. In India, its network of branch offices in Bangalore, Pune and Gurgaon is well supported by 1082 support locations across the country.

The order of dependability that Omnitech enjoys needs a true multi-locational agility and it is well networked to live up to this key customer need.



Agility in adopting Standards

The realm of IT is characterised by frequent innovations and improvements and the evolution happens at a rapid pace. Serving the varied needs of customers from across the globe with a wide range of infrastructure and application services needs impeccable quality standards. Led by techno-commercial professionals at the top, team Omnitech keeps pace with global best standards and practices on a day-to-day basis.

The focus on adopting best global standards and practices gets reflected in Omnitech's annual guidance, which alongside the revenue and profitability aims, includes defined targets on capability building and attaining next level of certifications.

Through the eighteen years of fostering client relationships, Omnitech has remained agile to establish the best global credentials through certifications. Besides being certified ISO 9001:2008 for quality management system, it achieved a rare feat of successfully completing the audit for three certifications – ISO 20000, ISO 27001 and BS 25999 – at one go in the current year and is awaiting for the certificates. It became the first mid-sized Company in India to have done so.

To emerge as a single partner who can manage the entire IT set-up for a client requires the creation of immense trust and credibility. More so, when a good number of clients are in sectors such as Banking and Financial Services. Then, there are expectations from international clientele who have their own sets of specifications and parameters. Omnitech's long-standing relation with the world's leading IT vendors like IBM, Hewlett Packard, Cisco Systems, Microsoft, Oracle etc. adds to its credibility in the marketplace.

Omnitech's unrelenting focus on enhancement also gets reflected in the recognitions it receives at industry forums. During the fiscal year 2009-10, it went on to add more laurels like 'India Fast 50 - 2009' and 'Asia Fast 500 - 2009' awarded by Deloitte Technology; 'Specialist Business Continuity/Recovery Company – 2009' awarded by BCI, UK and Deloitte, India; and 'Top Channel Partner' accorded by DQ Week.



Adding Laurels

Microsoft Best Breath Partner Award- 2009-10

Best SME for Corporate Governance 2009 by Business Today

The Channel World Premier 100 Awards-2010 from BCI - UK

'Specialty Continuity Recovery Company of the year 2009 accorded by BCI - UK

Deloitte Technology fast 50 India 2009

Deloitte Technology Fast 500 Asia Pacific 2009

The DQ WEEK TOP Channel Partner-2009

Special award for Managed Services from Kaseya

An eagle can fly with 8 pounds of food. They only live in trees 75 feet or higher.



Agility in responding with a Customer Advantage

Proactive is how Omnitech approaches its customer responsibilities. Keeping an eye on emerging trends and technologies, it keeps itself abreast of changing needs of customers. Approaching client's problems with a 'why not' approach, it helps its clients achieve more from their IT Infrastructure and guides them through the entire IT lifecycle – from need mapping to planning to implementation to preventive management to instant recovery in case of any outages/disasters.

Omnitech has spearheaded many a pioneering initiatives in Managed IT Infrastructure domain in India. Since launching Infrastructure Management Services (IMS) in 2001, the Company established its Network Operations Centre (NOC) in 2006 as stepping stone for Remote Infrastructure Management Services (RIMS). An efficient and cost-effective model, RIMS enabled Omnitech to serve its customer through remote monitoring. Likewise in 2008, Omnitech went on to launch OmniCenter – India's first third party managed disaster recovery center, equipped with vaults, PoC, data center, and technology labs. It unveiled its second OmniCenter at Hyderabad during the current year.

Bald Eagles catch rabbits and rodents that cause havoc in grain fields. Thus they help people.



The advantage of deploying a single partner to manage the entire IT Infrastructure and Applications are many. With customers preference shifting towards a single partner, the supply side will be under pressure. Omnitech, with its steady growth and capability expansion, endeavors to precisely fill this gap. Its highly adaptive delivery models (BOT/SaaS) enable the customers to focus on their core business activities.

Omnitech's clientele includes many market leaders from diverse business segments like Banking, Financial Services and Insurance (BFSI), Travel and Hospitality, Manufacturing and Pharmaceutical, IT and ITeS and Entertainment.

A competitive situation calls for agility but Omnitech has focused on customer advantage at all times and this makes all the difference.

Agility of Team Omnitech

Skills, attitude and continuous learning are the attributes of a member of Team Omnitech. The average age of the team is 28 years and average experience exceeds three years. The promoters have over two decades of IT industry experience and are committed to the ongoing up-gradation of technology skills within the rank and file of the Company. Besides the domain knowledge, soft skills such as communication, cultural acclimatisation, and customer orientation are emphasized.

Omnitech realises the importance of attracting and retaining talent. Its talent pool of 847 members include 80% technically qualified professionals deployed in specialised functions. There is a culture of expecting challenges and finding ways to overcome them. The Company has categorised Omnicians into Core Executive committee(CEC) – which act as the think tank, Key Management People(KMP) – which serve as the pillars, and the Rising Stars (RS) – who has the potential and ability to grow fast and achieve larger role in the Company. The Company has also granted ESOP's to Omnicians with an objective of making them grow with it.

In the Omnitech culture, there is a practice of approaching every project with the view that besides the transactional element, there is an equally useful transformational element. By taking an active part in the project, Omnitech enhances its capabilities and develops higher competence. Yesterday's procedures that were adequate are unlikely to be good enough for tomorrow, hence the thrust on continuous learning and personal growth. The Company has an in-house Learning and Development department. It is made mandatory for every employee to undergo certain predefined hours of training in a year to enhance and update their knowledge. In addition, the Company also helps people harness their soft skills which plays an important role in dealing with customer and within departments. Omnitech has spent over 5000 man hours in learning and development in the last fiscal year 2009-10.

To every single member of Team Omnitech, agility is a state of preparedness and vigilance that is essential for the type and quality of services the Company undertakes. It is also about speedy reflexes for rapid deployment – whether it is a market strategy or a technical solution. It translates into the team's readiness to sense and seize opportunity – Omnitech's leading edge is its agile people.

As the young birds turn into adults, their dark beak and black eyes, both turn a bright yellow.

Both young and adult bald eagles have yellow legs.



Omnitech in brief

The Vision

To be a global leader in providing technology related services in the areas of Business Availability, Business Continuity, and Business Enhancement Services in order to enable organisations derive higher productivity, predictability and profitability for their competitive business advantage.

The Company

An ISO 9001-2008, ISO 20000, ISO 27001 & BS 25999 certified Global Indian Company providing managed IT services to customers in Asia, Europe and America with annual revenue at Rs. 21,650 Lakh and net profit at Rs. 3,939 Lakh as on 31st March 2010. 5-years' Compounded Annual Growth Rate of 41.44% in revenue and 58.46% in net profit.

Listed at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with the market capitalization of Rs. 22,280 Lakh and about 10,000 shareholders (as on 31st March 2010)

The Business Domain

Offer gamut of IT services and solutions across Business Availability, Business Continuity and Business Enhancement Services.

Business Availability Services include Infrastructure Management, Enterprise Solutions, Application Management, Independent Testing, WebSphere Competency Centre (WCC).

Business Continuity Services deliver immunity from loss of data and/or business operations in the event of any disaster, thereby enabling Companies remain in business with seamless continuity and availability of its operation and IT systems. The suite of services includes Managed workplace recovery, Disaster recovery solutions and BCP consulting services.



Business Enhancement Services includes domain expertise services, Organisational Enhancement Services, Total IT outsourcing/ VCIO and technology optimisation services.

The Spread

Headquartered at Mumbai - the commercial capital of India and three branch offices at Bangalore, Delhi and Pune. Two Disaster Recovery Centers at Navi Mumbai and Hyderabad, in addition to service support network of more than 1082 locations across India

Overseas locations including subsidiaries and joint venture Companies span the USA, Canada, the United Kingdom, Belgium, Netherlands, Bahrain, Japan, Hong Kong and Singapore

The Customers

Well known Companies from industries such as Banking, Financial Services, Insurance, Healthcare, Travel, Media, Hospitality, IT/ ITES, and Manufacturing Sectors

The Financial Health

Debt to equity ratio at 0.26x, long term debt to equity ratio at 0.05x

Rated A2+ for short term borrowings (indicating an above average credit quality) & LBBB+ for the long term borrowings (indicating a moderate credit quality) by ICRA



Agilely Tackling the Future

Having led the Company successfully on the transformational agenda during the current year, Managing Director of Omnitech InfoSolutions, Atul M. Hemani reflects upon the Company's performance, its future course including the challenges and opportunities. Excerpts from an intense session he had with the Annual Report team:

How do you view your Company's performance in fiscal year 2009-10?

Fiscal year 2009-10 was a year of consolidation for global economy and its constituents including the global IT and ITES industry. Global spend on IT products and services recorded a decline in 2009. Indian IT-BPO sector too witnessed a moderation in its growth momentum.

In the backdrop of such macro-economic environment, I am happy to see our Company performing ahead of its guidance and sustain its accelerated growth momentum. The key financial highlights of our operations were:

- Total revenue grew by 26% to reach Rs. 21,650 Lakh, from Rs. 17,143 Lakh in the previous year. Against our guidance of 15-20% growth, Company's performance in fact exceeded it handsomely. With this, Company's total revenue maintained a robust CAGR of 36% between 2005-06 and 2009-10.
- Net Profit reached Rs. 3,939 Lakh, recording a healthy growth of 19% over Rs. 3,310 Lakh for the previous year.
- At Rs. 29.57, Earning Per Share increased by 17.39% over Rs. 25.19 in the previous year

On the operational front, we launched our second Disaster Recovery Center at Hyderabad during the year. Leveraging our strength in Remote Infrastructure Management Service (RIMS), we graduated many of our existing clients from IMS to RIMS. The Company achieved initial success from European markets during the year and is now looking at entrenching deeper and wider in that region. Our strategy to expand our global footprints yielded in a Joint Venture (JV) in Singapore and a subsidiary Company in Netherlands during the year. We redefined our service bouquet to create Business Enhancement Services as the third strong pillar of our Company.

BFSI segment continues to be a strong focus for us and we have already taken the initiative to launch more vertical-specific services with the help of domain experts from our JV in Singapore. This would help us to win new accounts as well as garner a larger pie of business from our existing customers.

To sum it all, Omnitech delivered good results on one hand and added some more growth drivers in its folds in fiscal year 2009-10.



What were the three key developments of fiscal year 2009-10 that will have bearing impact on Omnitech's growth in coming years?

In a young, dynamic and aggressive Company that Omnitech is, there were many such developments that will directly or latently catalyse our future growth. In my view, the three key areas will include the Managed Services across RIMS, Application Management and Performance Management; Business Continuity Services in general and its Industry-specific solutions in particular; and the geographical expansion of our Company's presence.

RIMS is the next growth engine of offshore IT services. Our success with it in the fiscal year 2009-10 will prove to be a game-changing event. The non-linearity of this model not only helps in significantly reducing the cost of delivery but also ensures higher scalability and betters the quality of deliverables at the same time. It provides a unique differentiator to Omnitech to leverage on current and future investments into technology centers and address the future needs of businesses through cloud computing. The offshore delivery model not only brings inbuilt cost advantages for customers but also opens the markets across the globe for the service providers. We have successfully leveraged our expertise with RIMS in shifting many of our existing customers from IMS to RIMS and secured multi-year service contracts in the process.

BFSI segment has been the largest contributor to Omnitech's revenues for long. The Company has since long been looking at further fortifying its relevance in this segment. At the same time, we have also consciously been looking at establishing our presence in the Far East. Our success in forming a JV with 'Attiva Services Pte. Ltd.' of Singapore in September 2009 has





Atul M. Hemani
Managing Director

strengthened our business proposition on both counts. Besides strategic geographical advantage in the Pacific region, the JV will unfold opportunities of significant magnitude in the BFSI segment. Our Far East Team has extensive domain-specific experience in BFSI segment. We will leverage their BFSI strengths in launching domain-specific services and solutions and marketing them to all our current and potential customers located across the globe. Our innovation team is actively working to design and define solutions and services specific to some more industry verticals such as Health care, Retail and Education.

Omnitech will continue to expand its footprints in India as well as across the Globe into Far East, Middle East and Europe. Omnitech was mapping the European market when the world was figuring out the way to tackle recessionary headwinds in 2008. Feeling the same pressure, enterprises across the continent (Europe) were looking at optimising/reducing their IT budget. Omnitech was at the right place at the right time, and more importantly with the right offerings. Having made our entry into this market in the previous year, we aimed at making an acquisition in Europe during the year. Our value propositions are very well appreciated and we expect to leverage this further.

What are the three key challenges facing Omnitech and how do you intend to address them?

At Omnitech, we are at the sweet spot of right size, right team, right goodwill, vast global experience, a good customer base and support from investors. And hence the challenges are minimal. As we embark upon our next phase of growth, our key challenges will be around scalability, operational efficiencies at global scales and cultural integration of our global acquisitions including human capital of the acquired companies.

We intend to triple the team strength from 850 employees in the current year to about 2500 Omnicians over the next three years. Attracting and retaining the best available talent will be a key challenge. We have been gearing up for this challenge for a couple of years. Our four-tier leadership structure of active promoters, followed by an empowered executive committee, backed by a talented key management team, and challenged by the rising stars is already in place. The Company has successfully been identifying the right talent at entry level. Its HR function is being governed with an objective of nurturing future leaders from within. We have been bestowing the best of rewards and recognitions to outstanding performers including ESOPs for outstanding and promising members of our human capital.

We have been successfully operating into global markets for several years. While we need to be ready for multi-fold growth, we also need to remain as efficient and effective as we are today. We have well defined policies and guidance frameworks in place to maintain key ratios and aspects well within controls.

We are aiming at acquisitions both in international as well as domestic markets in order to supplement our organic growth. The biggest challenge coming with acquisition happens to be integration of people, practices and processes. Our vast experience with international customers, together with the well planned, structured phase-wise integration programme shall help us address the challenges in this area.

What would be the key growth drivers for Omnitech, going forward?

It will include most of our traditional services offering – Remote Infrastructure and Application Management Services, Disaster Recovery/Business Continuity Planning, Data Center Management Services. Inorganic growth will come from our recent and future services – Cloud Computing, Managed Disaster Recovery/Business Continuity Services, industry specific services – BFSI, Health Care, Retail and Education, Special large ticket projects through business alliance partners and by way of geographical penetration within India and into international markets. We feel that the next three years are crucial for us and if we manage to maintain the right geography and product mix, we should be able to maintain our current margins and sustain our guidance of 30% growth.

What is your brief message to Shareholders?

Omnitech is in an aggressive growth phase and has grown at a CAGR of 40% in the last five years. Throughout the path of our evolution, we have shown agility in sensing the right opportunities, participating in them and creating value from our participation. We have successfully metamorphosed ourselves as a leading IT technology service provider and enjoy a pioneering reputation in Business Availability and Business Continuity Services. We have the first mover advantage in India in the Business Continuity space and have set up two third-party Disaster Recovery Centres at Navi Mumbai and Hyderabad.

We have been able to outperform our previous best performance consistently by introducing innovative services/solutions, which are apt for the current market situation. Our endeavor to focus on technology center and automation based delivery model from traditional linear people-based model has helped us to maintain our profitability and get an edge over our competition. We have established a formidable global presence and have in place a defined strategy to unleash an even accelerated growth phase for the Company – leveraging the organic and even inorganic path. The stage is set for exponential growth in future and this is just a perfect beginning!

When it comes to cost, we have always been conservative in our approach and realise our responsibility towards our investors' hard earned money. We remain focused and aggressive, yet cautious. We have and will continue to take the right decisions at the right time.

We have been able to generate consistent returns for our investors over a period of time and the Return on Capital employed has been around 20% for the year. We are confident that we would continue to deliver the same in times to come. We are entering the high growth phase and have a three-year plan lined up to achieve a multi fold growth. A mid-sized Company backed by strong and confident management and having ambitious, yet practically viable plans of expansion definitely looks as a promising opportunity to invest in and grow with.

Board of Directors



Maganlal K. Hemani - Non Executive Chairman

Mr. Hemani is a businessman, having an experience of over 59 years in varied fields of business viz. distribution, manufacturing and service industries. His vast experience has helped Omnitech immensely. He continues to be a source of motivation for the management team.

Atul Hemani - Managing Director

An astute professional with an engineering background from University of Mumbai, contributing his experience of over 22 years in the IT industry. Adding to his repertoire, he had worked for two years with Hindustan Computer Limited (HCL), prior to promoting Omnitech.

In this capacity, Atul plays a vital role in steering the overall business growth strategy and accomplishing organization vision. He leads the able team to implement the business strategy thru definitive action plans to achieve desired results. His current thrust areas are to be a thought leader in the area of Managed Services and Cloud Computing and continue to be pioneer in Disaster Recovery and Business Continuity space. He is able to spot the opportunity at an early stage and leverage it for the benefit of organization, which has helped organization to manage the sustained growth over a period of time.

He has been instrumental in tying up business relationships with various leading technology and strategic partners. Having traveled widely around the world, he has a deep understanding of global business opportunities and challenges. He actively participates in industry events and has been a regular speaker / panelist at different industry forums. He enjoys working with young talent to share his valuable experiences with them & mentor and to get new perspective for himself. He believes in core values of life and actively participates in CSR activities.



Avinash Pitale - Executive Director

Avinash holds a B.E. (Electrical) degree from University of Mumbai. Having completed a course in BSI 5000 and Foundation certificate in ITSM (ITIL – V3), he is a DRI certified professional and a Business Continuity Certified Planner (BCCP).

After serving an initial stint of 3 years with Hindustan Computers Limited, he co-founded Omnitech with Atul. He has mastered the service delivery aspect through his 25 years of experience and various soft skills development programs.

He is spearheading the conceptualisation, execution and delivery model set up for various services viz. infrastructure management services and disaster recovery services. His areas of specialization are business continuity planning and infrastructure management services.

Devarshi Buch - Executive Director

Devarshi holds a B.E. (Electrical) degree from University of Mumbai and brings with him an extensive IT experience of 21 years. Prior to joining Omnitech, he was serving Minicomp as Project Manager.

Responsible for developing domestic business in System Integration and Services, he specialises in execution of turnkey projects and consulting in enterprise computing, networking, server based solutions and DRP.



Dr. Kalimohan J. Bhattacharya - Independent Director

Dr. Bhattacharya is a Ph.D. D.Litt., CAIIB and an M.A. in Economics.

He possesses vast experience of 40 years in the Banking sector. Amongst various leadership roles, he has served as Managing Director and CEO with Bank of Rajasthan, Executive Director with IndusInd Bank Limited and Nominee Director in Maharashtra State Financial Corporation. He has also held the positions of Vice President for Rajasthan Chamber of Commerce and a member of the Government Board, Indian Bank Associations. In early part of his career, he has served State Bank of India for 35 years.

As an avid academician, he is currently serving as Professor and Head of Centre of Banking and Advance Financial Studies at Institute of Chartered Financial Analysts of India.

**Dr. Ram K. Mangal** - Independent Director

Dr Mangal holds a Ph.D from The Ohio State University, USA in addition to an MBA from IIM Ahmedabad and a B.Tech. from IIT Kanpur.

He brings a diverse experience of 20 years from the IT industry, Financial Services, and Manufacturing domains. As Chief Technology Officer and Group Head with Kotak Mahindra Bank, he spearheaded bank's transition to IT enabled automation across all branches and ATMs. He has also headed IT Function for Grindwell Norton, HDFC Ltd., Reliance Petroleum, and Thomas Cook. Dr Mangal had also been a faculty at The University of Memphis, Memphis, Tennessee, USA.

Prof. Venkateshwaran H. Iyer - Independent Director

Mr. Iyer is an Engineer by training and holds an M.Com. from Mysore University, a Diploma in Management from JBIMS, Fellowship from Indian Institute of Materials Management, a certified Lead Auditor for QMS from IRCA-UK

His vast experience of 30 years includes senior management roles in reputed organisations like Larsen & Toubro, IBM, Rallis India and Mafatlal. Active in academics field, he is a Professor of Operations Management and the Dean of Management Development Center with Welingkar Institute of Management and also is a Member of the Board of Studies of IIMM. His excellent contribution in Management Education has been recognized in the Best Faculty Award (1996) and UNITOP Award (1997).

In the past, he has been the Chairman of IIMM, member of the Governing Board of Bombay Productivity Council and the Indian society for Training and Development. He has also been nominated as the external expert member of the Zonal Managing committee of 16 research Institutions under ICAR in Western India.

**Vasudeva V Kamath** - Independent Director

Mr. Kamath is B.Com (Gold medalist) from Mysore University and a distinction holder in CAIIB.

He earned rich banking experience of 40 years with Canara Bank between 1966 and 2006. Starting as an officer in 1966, grew to leadership roles including 'Chief Executive' of Canara Bank (UK); 'Managing Director' of Canbank Venture Capital Fund Limited; and member of the High Powered Recovery Committee. He also served as nominee Director on the Board of various companies in India.



- 1 **Anurag Shah** - CEO - Technology Service & Head - Global Sales
- 2 **Nikul Shah** - President - Global HR & Corporate Service
- 3 **Anirudha Modak** - VP - National Sales
- 4 **Dhansing Thakur** - VP - Commercial
- 5 **Sanjay Mishra** - VP - EMEA Operations
- 6 **Gaurav Sharma** - Company Secretary & Chief Officer (Compliance & Legal)
- 7 **Amit Patil** - AVP Sales - Services

- 8 **Amit Abhyankar** - AVP Sales - BCP
- 9 **Ayan Mitra** - AVP - Marketing
- 10 **Mihir Mohanty** - AVP - Presales
- 11 **Nitin Purohit** - AVP - Technology Services
- 12 **Kosal Sharaff** - Head - Strategic Account Manager
- 13 **Niles Thakkar** - GM Operations - DR & BCP
- 14 **Machhindranath Tapare** - National Delivery Manager - Tech Support



Key Agility Managers



- 15 **Rajesh Bhosle** - National Delivery Manager - Operations
 16 **Anil Singh** - National Delivery Manager - CRM
 17 **Ramesh T.** - Deliverylead, Consulting Services
 18 **Rajish Rajan** - Technical Manager - WCC
 19 **Dinesh Rane** - Sr. Manager - Accounts
 20 **Akanksha Misra** - Manager - L&D
 21 **Farzana Adenwalla** - Manager - Corporate Relation

- 22 **Ganesh Ganguli** - Manager - Administration
 23 **Mahalakshmi Chowdhary** - Manager - HR
 24 **Mahendra Bhande** - Manager - Strategy and MIS
 25 **Sanket Mangrulkar** - Manager - M&A and IR
 26 **Shabina Khan** - Manager - Quality Assurance
 27 **Yugal Hemani** - Manager - IT

Employee Testimonials



Hemant Dobhal

I guess one of the best things about Omnitech is that it never stops believing in you.

I joined Omnitech in 2004 as a Field Support Executive. Within a span of just two years I was promoted to the level of Asst. Service Delivery Manager. In a year's time, I was again promoted to become Service Delivery Manager. Apart from the regular activities and key defined responsibilities, I was also given the opportunity to undertake task as SAM (Strategic Account Manager)- a role that added a whole new dimension to my process of learning on the job. Currently I'm working in the capacity of Zonal Manager with team strength of more than 50 employees.

The professional growth that I have enjoyed in a short span of time has been possible because Omnitech has always identified my abilities and given me the chance to evolve and expand my horizons of learning. If one is looking to diversify one's knowledge and expertise, there's no better place to work at than Omnitech in my view.

Sanjay Mishra

Omnitech is a great platform to achieve all your career objectives as an employee as well as an entrepreneur.

I have an experience of 11 years in IT Sales, of which 7 years have been with Omnitech. And these 7 years have been a remarkable experience with new responsibilities, great opportunities and a very satisfying journey of professional growth.

I joined Omnitech in July 2003 as an Account Manager responsible for Software sales in Mumbai and Pune. In a year's time, I was given the opportunity to work as Business Manager responsible for Turnkey Solutions Sales in Government and Large Corporate Accounts. This experience played a pivotal role in shaping my leadership skills and expertise. By 2007, in the capacity of Associate Vice President, I initiated the Business development for Omnitech in Europe and Middle East

Region. Within the next two years, I was deputed to Europe Omnitech Technology Service B.V., in Amsterdam, a subsidiary of Omnitech India, as Vice President – EMEA.

It's been wonderful being a part of Omnitech's success and growth in all these years. The entrepreneur's thrill, challenges, joy and growth I got from Omnitech during my short career span at various positions have kept me driven and it still drives me with the same passion.



Amit Patil

Working at Omnitech is a learning experience by itself.

My journey with Omnitech started ten years ago and seems to be keeping me enthusiastically afloat with more and more focus, challenging landscapes to conquer, empowerment and opportunities. For me, the energy and excitement of being a part of this company has only been increasing – right from my start-up as a pure Customer Support Profile to a direct Business Enabler today.

Omnitech is a company which truly believes in nurturing aspirations. The pace at which the company has been growing offers loads of avenues for employees at all levels to flaunt their capabilities and willingness, get identified and be recognised for their efforts.

Susha Kollare

My learning curve in Omnitech had been tremendous from the time I joined in as a fresher ten years ago. As a Coordinator, there was so much to learn about the different aspect of IT industry in Sales & Services. The learning and development team takes care of grooming any fresher to suit the need of not only Omnitech, but for the industry itself.

Today, I feel like a polished double-edge sword.

I'm currently working as the Manager – Enterprise Solutions Integrated Division and even today the passion for my job continues to grow.

The work place environment at Omnitech is challenging and the overall work culture is a welcome treat. Its not often you find such a company where work seems less like a job and more like a passion.



Ishrat Shaikh

I have been a part of Omnitech since the last fifteen years and the exposure and experience I have received here is priceless.

This is a place where you get the best of everything on one platform – opportunity to learn about new IT services and technology, great colleagues to collaborate with and a positive environment to work in everyday. I have been growing with the company and feel extremely proud to see how our infrastructural strength has grown and the way our business processes and services have diversified.



Management Discussion and Analysis

ECONOMIC OVERVIEW

The year 2009 was marked by extraordinary policy response to unprecedented global economic crisis. With the help of the policy support, the Global Economy is emerging from the crisis and GDP growth rates are starting to improve. The pace of recovery is varied – moderate in many advanced economies and robust in some emerging economies including China and India. According to IMF, the world output is likely to rise by 4.25% in 2010, following a 0.5% contraction in 2009.

The Indian Economy after slowing down in the previous year rebounded in fiscal year 2009-10 and posted a GDP growth of 7.4%, according to revised estimate of Central Statistical Office. The sectors of manufacturing, construction, and 'trade, hotel, transport & communication' contributed over 50% to the GDP. Importantly, all these sectors showed a sustained growth trend quarter-over-quarter. This trend, together with the prediction of a favourable southwest monsoon and accelerated spending on infrastructure development, shall help the Indian Economy return back to the higher GDP growth range of 8.5-9.0% in the fiscal year 2010-11.

INDUSTRY OVERVIEW

Global IT Scenario

Global technology products and services related spend is estimated to have come down to US\$ 1.5 trillion in 2009,

recording a decline of 2.9% over 2008. Hardware markets were hit worse than software or service markets, recording almost 8 % decline in 2009 versus 2008. (Source: Nasscom Strategic Review 2010)

Organisations extended their hardware lifecycle, delayed plans for new hardware acquisitions, and also curtailed their discretionary spends. Contrastingly, global corporations leveraged IT to drive organisation-wide efficiencies and transformation. While BPO growth moderated on account of lower transaction volumes, overall IT spend was largely driven by a revival in North America and BFSI, along with increased adoption in emerging markets like APAC and retail/healthcare. A dynamic second half of the year made up for the tepid first half for outsourcing contracts.



Recent global M&A activity in the sector indicates stronger services play for global hardware vendors, which will make this segment more competitive for the Indian vendors. Changing customer expectations, emergence of new off shore locations and new service providers delivering services through the cloud promise to shake up this industry going forward.

Indian IT-BPO Sector

Over the past decade, the Indian IT-BPO sector has emerged as country's new growth engine. Creating benchmarks in terms of revenue growth, employment generation and value creation; it has become the global brand ambassador for India.

While the Indian IT industry matured over these years, the recent recessionary headwinds marked a paradigm shift in the way it needs to operate. The changing demand outlook, customer negotiations and requirements acted as a driver to build in greater efficiencies and flexibility within the service delivery and the business models. While the industry displayed tenacity and resilience, it also commenced working on its agenda to diversify beyond core offerings and markets through new business and pricing models. It equipped itself to provide end-to-end service offerings, transform the delivery process, innovate through research and development and drive inclusive growth in India by developing targeted solutions for the domestic market.

The Indian IT-BPO industry posted encouraging performance in the current year. According to the estimates of Department of Information Technology, Government of India, the key highlights of the sector during the current year were:

- The revenue aggregate of IT-BPO industry was estimated to grow by over 5% and reach US\$ 73.1 billion in the current year as compared to US\$ 69.4 billion in the previous year
- The Indian software and services exports including ITeS-BPO exports was estimated at US\$ 49.7 billion in the fiscal year 2009-10, as compared to US\$ 47.1 billion in the previous year, recording an increase of 5.5%
- The IT services exports was estimated to be US\$ 27.3 billion in the current year as compared to US\$ 25.8 billion in the previous year, showing a growth of 5.8%
- ITeS-BPO exports was estimated to grow from US\$ 11.7 billion in the previous year to US\$ 12.4 billion in the current year, reflecting a growth of 6%
- The revenue from the domestic market (IT Services and ITeS-BPO) is also expected to grow to US\$ 14 billion in the fiscal year 2009-10 as compared to US\$ 12.8 billion in the previous year, recording a growth of about 9%
- The IT-ITeS industry's contribution to the national GDP is estimated to marginally increase from 6.0% in the previous year to 6.1% in the current year

The US & UK remained the largest export markets, accounting for about 61% and 18% respectively in the current year. Over the past few years, revenue growth from the US had lagged other geographies. In the current year, the trend has reversed with this geographic region driving revenue growth. The impact of

recession has been felt the most in the US, and consequently cutting costs and increasing competitiveness through outsourcing is once again the focus here.

The Continental Europe and the UK have lagged overall revenue growth. Indian vendors are actively developing the Asia Pacific region and secured a growth rate of 10% in the current year. Japan and Middle East also offer significant untapped potential.



The total IT Software and Services employment is expected to reach 2.29 million in the fiscal year 2009-10 (excluding employment in Hardware sector), as against 2.20 million in the previous year, recording a growth of 4%. This represents a net addition of 90,000 professionals to the industry employee base during the year. The indirect employment attributed to the sector is estimated to be about 8.2 million. The industry has been a front-runner in diversity at the workplace with over 30% women employees. More than 60% of industry players employ differently abled people.

India has a 51% market share of the off-shoring market. There is tremendous headroom for growth as current off-shoring market is still a small part of the outsourcing industry. Significant opportunities exist in core verticals like BFSI and geographic segments like the US; and also in emerging geographic regions like Asia Pacific and verticals markets like retail, healthcare and Government. Development of these opportunities can triple the current addressable market and can lead the Indian IT-BPO revenues to about US\$ 225 billion in 2020. The Industry also has the potential to transform India by harnessing information technology for inclusive growth.

IT enabled services will continue to show substantial growth in the fiscal year 2010-11. Domestic outsourcing shall continue to have a growth of over 35% in terms of numbers, but in all probability competition will be regulated by only a few operators due to high cost pressures in the telecom and BFSI segments. These two segments continue to rule the domestic BPO outsourcing, though health care is also fast emerging as a credible segment,

IMS/RIMS

With a global spend of over US\$ 524 billion, Infrastructure Management presents a significantly large opportunity for services that can be delivered remotely. The market for RIM is estimated at US\$ 96-104 billion after discounting Infrastructure Management spends in low-cost locations, defence and government sectors,

small enterprises and the services that cannot be offshored. Out of which, Nasscom expects over US\$ 26-28 billion to be realised by 2013. India is well positioned to garner about a half of this global opportunity by 2013.

Cloud Computing

Indian cloud computing poised to register a tenfold growth by 2015. The cloud computing market is US\$ 110 million today, with Software as a Service (SaaS) estimated at US\$ 66 million and Platform as a Service (PaaS) together with Infrastructure as a Service (IaaS) constituting the remaining US\$ 44 million.

India-centric IT service companies are expected to represent 20% of the leading cloud aggregators globally, By 2012.

As cloud computing continues to gain momentum, more and more organisations will like to leverage its benefits. Cloud computing is slated to help CIOs and business unit heads in understanding and delineating the vendors, IT services, software and infrastructure components. Many Indian players have used transparency as an effective tool in building the confidence of overseas buyers in foreign IT service providers. It is important for India-centric providers to play a key role in developing cloud service offerings with greater transparency for achieving an even greater acceptance by CIOs and business unit leaders.

The R&D efforts of Indian vendors will speed up the development of cloud-based solutions. This will lead to more options resulting in heightened competition in the market. As always, the competition will result in a wider, deeper and enhanced offerings and accelerate the transition from traditional to industry-specific offerings and fuel the growth of utility and cloud-based services. Buyers — business unit teams and IT organisations—will be forced to separate unique business process areas that truly drive competitive advantage from those that simply deliver competitive parity. Organisations that can appropriately adopt newer utility and cloud-based offerings in select areas of their enterprises—with a heavy dose of strong risk management skills—will gain an important advantage within their peer-groups.

Small and Medium IT/ITeS Providers

Small and Medium sized providers of IT/ITeS contribute about US\$ 18 billion and generate direct employment for about 700,000



people besides several million indirect employment. The Small and Medium IT/ITeS providers in India are integral to the growth engine of the industry in particular and the Indian Economy in general. The prevailing growth trends are expected to continue into the near future on account of the increasing maturity of this segment and the emergence of new opportunities.

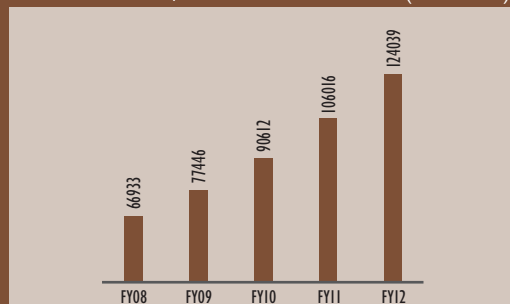
REVIEW OF OPERATIONS

In a year that witnessed the global spend on IT products and services de-grow and the Indian IT BPO sector's growth momentum moderate, Omnitech maintained its accelerated growth momentum. The Company performed ahead of the economy and even the industry and secured a topline growth of 25% and bottomline growth of 19% in the current year. More importantly, it continued to build a robust foundation for sustainable growth through the year. It further diversified its service offerings, expanded its global footprints and implemented everything it planned to do in the fiscal year 2009-10.

What helped Omnitech achieve what it achieved in a difficult year otherwise is a host of strengths it has intrinsically weaved into its DNA. Being led by competent techno-commercial professionals at the top, possessing a truly diverse service mix including some pioneering ones, practicing complete alignment with its customers' objectives of cost efficiency and performance enhancement, and a purposed and evolving global footprint are some of the winning traits which Omnitech has cautiously built upon over the years.

In the testing times of recent global downturn and financial crisis, Omnitech leveraged all these strengths successfully to insulate itself from the turmoil and continued creating value for all its stakeholders. Omnitech remained agile to the macro-economic developments and went even closer to its customers in order to help them tackle the recessionary pressures effectively. Optimism, positivity and a resolve to bring more to customers at even lesser cost was practiced across the organisation. The Company looked at making the most of these testing times and took a quantum leap during the year under review.

Small & Medium IT/ ITeS Providers: Revenues (Rs. Crores)



Source: Frost & Sullivan

Key Operational Highlights

Leveraging Remote Infrastructure Management Services (RIMS): RIMS is the next growth engine. Omnitech has maintained a leadership position in the domain of Infrastructure Management Service (IMS). It has successfully leveraged the power of RIMS in shifting many of its clients from IMS to RIMS. RIMS is helping it engage customers over a longer term through multi-year contracts. RIMS being a non-linear model will help it scale up capacities at much lower cost. Omnitech is poised to aggressively explore the overseas business too through RIMS.

Business Continuity Services: Omnitech is the pioneer Indian Company to enter the Business Continuity Services domain. Being ready to respond to eventualities of any kind and tackle them successfully with least impact on the business is a sustainability challenge for companies globally. Natural calamities like the volcanic eruption, cyclonic disruptions, floods etc. are sensitising companies



to proactively adopt a contingent Business Continuity Plan. Adding to the growing awareness are the incidents of terror attacks.

Having unveiled its first Disaster Recovery (DR) center at Navi Mumbai in 2008, Omnitech opened its second DR center at Hyderabad in August, 2009. This center is a tier-III data center having 175 seats as of now and can be scaled up to 550 seats in future. Business Continuity and Disaster Recovery Services contributed 15% of revenue in the current year.

Launch of Payment and Settlement Solutions: Banks in India are aiming a complete migration of their RTGS function to Windows Server to comply with the directives of the Reserve Bank of India. With the deadline of 15th April 2010, all the banks are looking at making swift and fast migration. Omnitech launched its Payment and Settlement Solutions for Banks during the year. Omnitech provides end-to-end solutions on RTGS/NDS across the span of Hardware, Software, Services and Consulting. The Company has over twenty success stories in its folds from RTGS/NDS domain.

Redefining Business Enhancement Services: Having consolidated its service offerings across Business Availability and Business Continuity domains, Omnitech organised a host of its standalone services under Business Enhancement Services and added a third robust pillar after Business Availability and Business Continuity services. Its Business Enhancement suite includes technology optimisation services, domain expertise services, and total IT outsourcing to name a few.

JV With Attiva: The Company set up a JV with Attiva Services Pte. Ltd. of Singapore during the year. Attiva has proven strengths in the BFSI domain and this JV shall further strengthen Omnitech's business in the segment. With Singapore added as a strategic location, the Company will leverage its non-BFSI offerings too in the promising pacific region. Omnitech has a 55% interest in this JV. The promoters of Attiva cumulatively have more than 60 man years of experience of working in BFSI sector.

Subsidiary at Netherlands: Omnitech successfully explored the business opportunities in Europe in the previous year and tasted initial success with few projects/clients. In order to intensify its presence and spread in the region, the Company set up a subsidiary in Netherlands during the current year.

Strategic Focus

Omnitech's strategy is to stay aligned with its customers' needs from their IT investment and infrastructure – across cost, efficiency, reliability and preventive aspects. In the fast evolving and changing spectrum of IT, it agilely tracks the concurrent trends and their future course with the customers' interest at the core and keeps evolving and reinventing itself as a preferred partner for its customers. In order to maximise value for the enterprise and its various stakeholders, Omnitech keeps exploring ways and means to service more and more customers across more and more locations with its diverse bouquet of services. With an aim to facilitate its customers' focus on their core businesses, it endeavours to offer end-to-end IT Infrastructure services to them.

Through the fiscal year 2009-10, the Company relentlessly worked on cost optimisation. It made a defined shift to non-linear model of remotely managing IT infrastructure of its clients and partially passed the cost benefits to its customers too. It stayed focussed on Small and Medium Sized Businesses (SMBs). With Omnitech on their side, these Companies don't need to invest in a full time CIO and still derive most from their IT investments.

Europe was largely an unexplored market for Indian Companies operating in the managed IT Infrastructure services. Omnitech, with its non-linear RIMS model was amongst the first Indian companies to reach this market.

At a time when companies around were downsizing their talent pool, Omnitech conducted campus recruitment at best Business Schools of India. The Company approached its HR function from a long-term perspective and handpicked best available talent and oriented and aligned them with its key organisational goals at a time when recruiter were missing from these modern temples of talent.



REVIEW OF FINANCIALS

Share Capital

Omnitech has only one class of shares – equity shares of face value of Rs. 10 each. The Company's authorised share capital is Rs. 2,000 Lakh, sub-divided into 200 Lakh shares of Rs. 10 each. The paid-up capital of the Company is Rs. 1,385.84 Lakh divided into 138.58 Lakh shares of Rs. 10 each. During the year under review 719,210 new shares were issued pursuant to conversion of warrants at Rs. 165.51 per share.

(Rs. in Lakhs)

	As on 31 st March, 2010	As on 31 st March, 2009
Authorised Share Capital	2,000	2,000
Paid Up Capital	1,386	1,314

Reserves & Surplus

During the year under review, the Share Premium Account increased by Rs. 1,118.44 Lakh on account of issue of 719,210 fresh equity shares. The Company credited Rs. 200 Lakh from profits to General Reserves. The balance retained in Profit & Loss Account post appropriation for proposed Dividend and Dividend Tax was Rs. 3,494.86 Lakh.

Equity Share Warrants

During the year under review, the Company issued 862,000 convertible warrants of Rs. 10 each. The warrants are convertible into shares at a premium of Rs. 112.59 per share and the conversion ratio is 1:1 for the same. The amount brought forward by the warrant holders was 25% of the conversion price i.e. Rs. 122.59 per share as per the provisions of SEBI guidelines on Preferential Allotment. Out of the 862,000 warrants issued 2,000 warrants have been exercised but Company has not issued the shares against the same till 31st March, 2010.

Deferred Tax Liability

The Company reported cumulative net deferred tax liability of Rs. 902.35 Lakh as against Rs. 658.85 Lakh incurred in the previous fiscal year. Deferred Income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty of their realisation and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Secured Loans

During the year there was a net increase of Rs. 1,068.92 Lakh in Secured Loans. This increase was primarily due to additional term loans facility we acquired. The term loan facility was availed to fund our capex for the Hyderabad DR center.

(Rs. in Lakhs)

Loan Type	31 st March, 2010	31 st March, 2009
Cash Credit	1713.83	1481.81
Term Loan	882.66	125.49
Letter of Credit	755.01	497.42
Packing Credit in Foreign Currency	724.60	1216.38
Working Capital Demand Loan	300	0
Vehicle Loan	15.39	1.48
Total Loan Outstanding	4391.51	3322.59

Fixed Assets

(Rs. in Lakhs)

Assets	31 st March, 2010	31 st March, 2009	Growth
Business Acquisition	45.50	45.50	0.00%
Office Building	265.32	265.32	0.00%
Land at MIDC	133.34	133.34	0.00%
Land at Pune	283.61	283.61	0.00%
Software and Software pro	36.06	36.06	0.00%
Computer Systems	13845.12	7393.88	87.25%
Furniture & Fixture	613.76	571.85	7.33%
Office Equipments	40.15	37.78	6.29%
Cars	52.42	28.51	83.87%
Capital Expenditure	7.23	0.00	NA
Gross Block	15322.51	8795.85	74.20%
Less: Accumulated Depreciation	3066.21	2007.30	52.75%
Less: Provision for Impairments	6.10	6.10	0.00%
Add: Work in progress	1385.97	793.49	74.67%
Net Block	13636.17	7575.94	79.99%

The increase in Computer systems and office equipments was mainly due to investments made in:

- Technology refresh at Andheri office
- Disaster Recovery Center at Hyderabad
- Increase in Network Operations Center (NOC) capacity from 30 to 120 seats

Investments

(Rs. in Lakhs)

Investments	31 st March, 2010	31 st March, 2009
Short Term Investments	0.00	1341.14
Long Term Investments	258.52	48.81
a) Investment in Subsidiaries	251.10	45.00
b) Bombay Mercantile Co-Op Bank	3.81	3.81
c) FCD/PCD of Lloyd Finance	3.62	-
Total Investments	258.52	1,389.95

The decrease in Short Term Investments was due to deployment of entire IPO funds towards the objectives of the IPO as under:

(Rs. in Lakhs)

IPO Deployment	During FY10	At End of FY10
Issue Related Expenses	0.0	405.0
Strategic Investments	870.5	960.0
Enhancement of existing facility / New Centers	555.7	2135.0
Total	1426.2	3500.0

Long term investments consist of investments made in subsidiaries and Joint Ventures. We have invested Rs 171.64 Lakh for the Singapore Joint Venture, OSPL and Rs. 66.52 Lakh for wholly owned subsidiary Omnitech Technologies B.V., Netherlands.

Current Assets

The Company's gross Debtors outstanding position stood at Rs. 5,139.20 Lakh, down from Rs. 5,849.13 Lakh last year. Debtors mix also changed from 57% debtors over 6 months last year to 26% debtors over 6 month now. Cash and Bank balance increased from Rs. 284.93 Lakh to Rs. 386.13 Lakh. Majority of increase in Loans and Advances can be attributable to the increase in advances to our suppliers to the tune of Rs. 1,400 Lakh. The higher inventory is because of our order book position, which stood at Rs. 19,000 Lakh at end of FY10.

(Rs. in Lakhs)

	31st March, 2010	31st March, 2009
Receivables	5,139.19	5,849.12
Under 6 months period	74%	43%
Over 6 months period	26%	57%
Cash & Bank Balance	386.13	284.93
Inventories	2,871.13	1,400.05
Loans and Advances	3,552.58	1,663.25
Total Current Assets	11,949.04	9,197.36

Revenue Analysis

Total Gross Income stood at Rs. 21,775.45 from Rs. 17,361.13 Lakh last year, higher by 25%. Income from Operations was substantially higher at Rs. 21,649.66 Lakh from Rs. 17,142.62 Lakh. Export sales stood at Rs. 4,671 Lakh. Other Income came down from Rs. 218.51 Lakh last year to Rs. 105.30 Lakh this year, this is

due to decrease in dividend income owing to redemption of short term investments.

Expenditure Analysis

Total Expenditure increased to Rs. 15,180.77 Lakh from Rs. 12,388.23 Lakh, an increase by 23%.

Increase in Total Expenditure was mainly due to the following reasons:

- Increase in material cost by 26%
- Increase in staff costs by 32%, the employee strength increased by 8% and the rest can be attributed to salary hike
- Increase in the finance cost by 22 %

Profit Analysis

Net Profit before tax increased to Rs. 5,028.80 Lakh from Rs. 4,177.89 Lakh, higher volumes helped the company post a 20% rise in Profit before Tax. Company made a Tax provision of Rs. 1,089.84 Lakh for the current year as against Rs. 868.01 Lakh for previous year. Profit after Tax showed an improvement by 19% at Rs. 3,938.95 Lakh. The PAT growth is less as compared to revenue growth because of high depreciation charges of Rs. 1,565.89 Lakh this year against Rs. 795.02 Lakh incurred last year.

Dividend Policy

The Company declared 6th consecutive annual dividend this year. The rate of dividend stands at 15% vs. 12% last year. The Company provided Rs. 243.21 Lakh compared to Rs. 184.47 Lakh last year for final dividend and dividend tax. The dividend payout ratio improved to 5.46%, against 4.78% last year. We have been conservative in our dividend distribution policy given we stare at a huge capex in next 2 years.

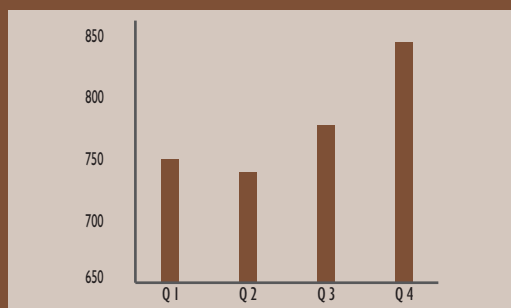
HUMAN RESOURCE MANAGEMENT

The human capital has been the most vital constituent of Omnitech's evolution and growth. Being led by techno-commercial professionals at the top, the company has practiced a people-centric HR approach which aims at attracting, developing and rewarding talent. At Omnitech, people constitute the brand and are themselves the best brand ambassadors.

Omnitech recruits fresh talent from leading institutions in the realm of technical and business education. The recruits from these institutions are oriented into the Company through a structured



Employee Count (FY 10)



orientation program. A participative career development program is evolved around every individual and enough attention is paid to the individual learning and skill development needs of employees.

Intensive training and development of its human capital has been instrumental in the impressive growth of the Company in recent years. During the year under review, the Company spent more than 5000 man hours in training initiatives across the organisation.

Omnitech's healthy work environment fosters the spirit of participation, collaboration and ownership across the rank and file of the Company. Various recognition and rewards boost the competitive spirit and morale of employees. Omnitech's approach to employees is the one that cares. The effectiveness of Company's Human Resource management gets reflected in the impressive retention rate of over 90% – much higher than the industry average.

The workplace houses gymnasium, meditation room and recreation center for employees. The Company offers soft benefits like travel, medical and accommodation benefits to employees.

Company employee pool reflects an efficient blend of young talent and experienced managers. The human resource pool of the Company has an average experience of over 3 years and the average age of this pool is 28 years. As on 31st March, 2010, the Company employed 847 employees, 677 of them being professionals with technical qualification and remaining 170 being the support staff.

OPPORTUNITIES & THREATS

Being part of the Indian IT industry, Omnitech's opportunities and threats are similar to those facing the industry itself. However, Omnitech's ability to sense the opportunity early and its agility to counter threats sets it ahead of many of its peers.

Omnitech views the RIMS space, DR/BC, Cloud Computing and domain-specific services in addition to recently reached geographies of Europe and Far East to form its key opportunities in coming years. Its pursuit of inorganic growth agenda and ability to offer single window end-to-end solutions empower it to benefit from the rage of opportunities it faces.

At a time when Omnitech is set to transform itself from a small-sized India-centric IT player to a mid-sized transnational IT player,

its set of threats are well identified and addressed. Its key threats (or challenges as Omnitech prefers to view them as) emanate from possible attrition at the key management levels, the cultural differences amongst its various global teams and its ability to infuse financial and human capital required to fund its growth. With a well-defined strategy to address these threats, Omnitech is poised to achieve multiplier growth over coming years.

RISK MANAGEMENT

The business domain of IT products and services is a fast evolving and changing business. Human Capital is the most critical asset in the business of IT. In addition to the usual risks faced by any business, the specific risks facing the business of IT emanate from the speed of evolution and people-centricity.

With Omnitech's business being in the realm of IT, the set of risks it faces are similar to those faced by the IT industry. The Company, however, has a definite set of practices and strategies in place to mitigate various risks facing its business. Company's diverse bouquet of offerings are organised under Business Availability, Business Continuity, and Business Enhancement. The diversity of these offerings translates into set of unique risks to each of them. Yet, at company level, they provide cushion for one another.

Revenue Concentration risk

The Company's top 10 clients account for 55% of its total revenue. Any attrition in the key clientele might have adverse impact on its revenue growth.

Omnitech has a proven track record of retaining key clients with some of the relations going back up to 20 years. However, the Company has cautiously been minimising its dependence on select clients by diversifying its clientele across various business verticals. Its recent initiatives on securing inorganic growth will help it address the said risk in coming years. From top 10 clients' contribution to total revenue being 66% in FY 07, the Company has already lowered its dependence on them to the current levels.

Attrition risk

Omnitech's business currently is in accelerated growth phase and attritions at key levels might adversely impact its prospects.

Being promoted and led by techno-commercial professionals, Omnitech values talent and engages it with effective and efficient talent management policies and programs. Omnitech acknowledges the value of its key people by offering ESOP to members of its Core Executive Committee, Key Management Personnel and even to rising stars. Transcending the usual employment considerations, the members of its key team shape and share Company's vision and work towards realising them. While shared vision binds the members together, Omnitech continues to create future leaders from within and maintains a robust second line.

Competition risk

The Company operates in a competitive environment of managed IT services and face competition from the established organised players as well as the fragmented unorganised segment.

The Company has carefully chosen niche domains and built a formidable reputation, clientele and scale in each of them. It continues looking at unexplored segments and geographies and approaches them with a definitive plan. Its fortification in the SME segment, pioneering entry and subsequent growth in Disaster Recovery domain and ahead of competition penetration in European markets bear testimony to its ability to stay ahead of competition.

Outsourced Service Risk

The Company deploys third-party services to service clients at remote locations. Any deficit in service quality from these vendors might adversely impact Company's reputation

The Company screens its partners on pre-defined parameters and practices utmost care in choosing the right partners. Once the partner is engaged, it orients the partner and its frontline personnel through a structured programme. They are aligned with Company values and customer-centricity before being deployed. A close monitoring of their performance is done on periodic basis.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Omnitech's approach towards internal control is aimed at optimising resources at one hand and protecting its assets on the other. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports; ensures the regulatory and statutory compliance; and safeguards investors' interest by ensuring highest level of governance and periodical communication with investors. Company's internal auditors M/s Ganesh Jagadeesh & Co. conduct internal audits and submit reports to the Audit Committee.

On monthly basis, meeting is held with internal auditor, wherein all the department personnel and the Company Secretary take participation. In the meeting, observations made by auditors are discussed and the department personnel are asked what measures they have taken to rectify the discrepancies. Further, if any serious discrepancy is found out by the internal auditors during their audit, which requires immediate attention of Management, the same is brought to the notice of the Company Secretary, who has been entrusted with the task of looking after internal audit function and immediate action is taken thereon.

Omnitech's Audit Committee consists of three directors and is chaired by an Independent Director. The role and terms of reference of the Audit Committee include overseeing the Company's financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions and performance of internal and external auditors.

The committee also holds discussions with statutory auditors, internal auditors and the management on matters pertaining to internal controls, auditing and financial reporting periodically.



FUTURE OUTLOOK

With the apparent weakening recessionary headwinds, global spends on technology products and services are forecasted to return on growth path. The Indian Economy also appears to be heading towards a GDP growth phase of 8.5-9% in the coming year. Organisations across the geographic and business verticals are likely to extract more from their IT spends.

Omnitech's key customer promise remains to deliver more from their IT Infrastructure - on dual aspects of efficiency and cost. This key promise has been the decisive differentiator for Omnitech and has helped it defy the industry trends even in testing times and grow at a comparable and even faster rate than its peers.

Omnitech's revenues have recorded a robust CAGR in excess of 40% and net profits have grown at a CAGR of over 55% in the last five years. Over the same period, it has built a robust growth foundation with enhanced talent quotient, diverse service quotient, widespread geographic quotient and an enviable reliability quotient.

Omnitech continues to be in an aggressive growth phase and its growth curve is reaching an inflection point. It is pursuing an aggressive organic growth guidance of revenues. At the same time, it is rightly equipped to multiply its growth with slew of inorganic avenues including recent and future alliances and acquisitions. Its Business Continuity Services business shall grow at a much faster rate than it has clocked in the recent past. The export revenues shall multiply with enhanced contribution from relatively new geographies including Europe and Far East. The faster migration of its onside customers to remote platform of delivery will add to the prospects not only in instant term but also over mid and longer terms, courtesy the multi-year engagement contracts that RIMS entails.

To sum it up, Omnitech's future outlook remains promising with exponential growth opportunities.

Directors' Report

The Members of

Omnitech InfoSolutions Limited

Your Directors have pleasure in presenting the 20th Annual Report together with the audited accounts of the company for the year ended 31st March 2010.

I. FINANCIAL HIGHLIGHTS:

The Performance of the Company for the financial year ended 31st March 2010 is summarised below:

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Income from Operations	21649.66	17142.62
Profit before Interest, Depreciation and Tax (PBITD)	7057.12	5351.94
Interest including Finance Expenses	462.45	379.04
Depreciation	1565.89	795.01
Profit before Tax (PBT)	5028.79	4177.88
Provision for Taxation including Deferred Tax	1089.84	868.00
Profit after Tax (PAT)	3938.95	3309.89
Balance brought forward from previous year	7150.61	4110.19
Amount Available for Appropriation	11089.56	7420.08
Appropriations:		
Proposed Dividend	207.88	157.67
Dividend Tax	35.33	26.80
General Reserve	200.89	85.00
Balance Carried Forward to Balance Sheet	10645.46	7150.61

II. REVIEW OF PERFORMANCE

a. Operating Results:

Your Company continued to achieve strong and desired growth in the financial year 2009-10 into international as well as domestic markets. In the current slowdown where companies were looking at reducing costs, your Company offered its customers a solution that can help them to reduce the costs substantially and this has helped your Company to post a healthy growth rate in spite of the current economic downturn. It has also helped your Company to renew most of the contracts with existing customers.

During the Year, your Company achieved Income from Operations amounting to Rs. 21649.66 Lakhs as compared to Rs. 17142.62 Lakhs in the previous year thereby recording an increase of 26.29%. The Net Profit after tax (PAT) for the year was Rs. 3938.95 Lakhs as compared to Rs. 3309.89 Lakhs in the previous year, thereby an increase of 19.01%

b. Financing Cost:

The Finance Cost has increased by Rs. 83.41 Lakhs as compared to the previous year, which is mainly due to raising of additional working capital facility for covering up the increase in Gross Sales.

III. DIVIDEND

Your Board of Directors recommend Dividend @ 15% i.e. Rs 1.50 per equity share for the year ended 31st March, 2010. Dividend as recommended if declared will absorb Rs. 207.88 Lakhs for the payment to the shareholders and Rs. 35.33 Lakhs as Corporate Dividend Tax.

IV. FIXED DEPOSITS

Your company has not accepted or invited any deposits from the public during the year.

V. SUBSIDIARY COMPANIES

The Company has the following 3 subsidiaries as on 31st March, 2010:

1. Omnitech Technologies Inc. USA
2. Europe Omnitech Technology Services B.V., Netherlands
3. Omnitech Services Pte. Ltd., Singapore

As required under the provisions of Section 212 of the Companies Act, 1956, a statement showing the holding company's interest in the subsidiary companies forms part of the Annual Report.

The operational performance of the Subsidiaries during the year has been as per the projections anticipated by your company.

VI. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in presenting Consolidated Financial Statements which form part of the Annual Report.

VII. STATUS OF UTILISATION OF FUNDS RAISED IN PUBLIC ISSUE

Status of utilization of Funds raised by your Company in Public Issue as on 31st March, 2010 forms part of Notes to Accounts.

VIII. QUALITY

Your company recognizes quality as an important differentiator in industry. Therefore, it has well defined stringent quality standards with customer focus and management commitment and involvement across hierarchies. During the Year, your company has been certified for ISO 9001:2008. ISO 9001:2008 Certification reflects that your company has well defined Quality processes and procedures in place, which lead to total customer satisfaction as regards Quality Management.

Further, your company is on the way to get certified for the following Certifications:

- (a) **ISO 20000:2005 Certification** - reflects the level of best practices followed by the Company in relation to IT Service Management.
- (b) **ISO 27001:2005 Certification** - reflects that the Company has well defined Internal Security Management System thereby maintaining high level of Confidentiality of Customer Data.
- (c) **BS 25999:2007 Certification** - reflects the resilient infrastructure possessed by the Company in relation to Business Continuity Management.

IX. HUMAN RESOURCES

Your company's HR policies and processes are aligned to effectively drive its expanding business and emerging opportunities. This has been achieved by continuously investing in learning and development programs, creating an employee-friendly work environment, empowering employees at all levels and maintaining well-structured reward and recognition mechanisms. Your company recognizes its employees as Key Assets and strives to retain and attract them.

Your company employed a total 872 employees as on 31st March, 2010. During the year, your company took various initiatives to help the employees grow their career. During the year, your company organized various Learning and Development programs for its employees such as Conflict Management, Inter-departmental Communication Skills etc. During the year, your Company constituted two forums among the employees Viz., Key Managerial Personnel (KMP) and Rising Star Forums. The objective behind the constitution of these two forums was to provide the employees a platform to interact and discuss various ideas, suggestions relating to company's operations, which will ultimately help the employees to improve their communication skills and also give them opportunity to actively participate towards the growth of the Company.

During the year, your company launched Omnitech Employees' Stock Option Scheme, 2009 to reward the talented employees. During the Year, your company organized Dusshera Puja, Holi and various sports events and small get togethers to combine fun with work.

Your company has approached various top notch B Schools, technical schools and colleges across the country. Today the company is one of the preferred places to work for professionals across the country.

X. AWARDS & RECOGNITIONS

During the year, your Company was awarded with the following:

1. Best SME for Corporate Governance 2009 from Business Today
2. Deloitte Technology Fast 500 Asia- Pacific 2009
3. Deloitte Technology Fast 50 India 2009
4. The Channel World Premier 100 Awards-2010
5. Specialty Continuity Recovery Company of the year 2009 award from BCI – UK
6. Microsoft Best Breath Partner Award- 2009-10

XI. CORPORATE GOVERNANCE

A report on Corporate Governance along with Auditors' certificate on compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement, is provided elsewhere in the Annual report.

XII. CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that society is one of its important stakeholders and approaches its social responsibility as a corporate citizen. Reaffirming its role as a contributing member of the social and economic milieu it occupies, the Company aligns its business operations with social values. As a responsible corporate citizen, the Company is committed to extend its hand in areas of education, healthcare, etc to the under privileged people. During the year, your company participated in various forums for creating awareness for Disaster Management. Your Company continued to distribute booklets containing guidelines on how to act in case of emergency. As a part of Corporate Social Responsibility, your company organised Eye Testing Camp for employees and their families.

XIII. DIRECTORS

In terms of the Articles of Association of your Company, Mr. Avinash Pitale, Executive Director and Mr. Devarshi Buch, Executive Director of your Company retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Brief Resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, the names of the Companies in which they hold Directorships & memberships/chairmanships of Board Committees and their shareholdings in the Company, as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges in India, are provided in the Notice of Annual General Meeting.

XIV. AUDITORS REPORT

The observations made in the Auditors' report are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Your Directors request you to appoint Auditors for the Financial Year 2010-11. In this regard, attention of the Members is invited to Item No. 5 of the accompanying Notice convening forthcoming Annual General Meeting.

XV. STATUTORY INFORMATION

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of continued Particulars in the Report of Board of Directors) Rules, 1988, are set out in the **Annexure 'A'** to this report.

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 as amended, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the **Annexure 'B'** to this report.

As required by SEBI (ESOP & ESOS) Guidelines, 1999, the relevant disclosure is set out in the **Annexure 'C'** to this report.

XVI. DIRECTORS' RESPONSIBILITY STATEMENT

Based on representations from the Management, the Directors state, in pursuance of Section 217 (2AA) of the Companies Act, 1956, that:

- (a) the Company has, in the preparation of the annual accounts for the year ended 31st March 2010, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the profit of the Company for the financial year ended 31st March 2010;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the Directors have prepared the annual accounts on a going concern basis.

XVII. ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all the Shareholders, Customers, Vendors, Bankers, and Regulatory & Government Authorities for the strong support that they have continued to extend to your Company.

The Board also take this opportunity to place on record its appreciation of the outstanding performance and dedication of your Company's employees at all levels, without whose commitment the achievement of results as indicated above could not have been possible.

By Order of the Board of Directors
Omnitech InfoSolutions Limited

Place : Mumbai
Date : 18.05.2010

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Annexure 'A' to the Directors' Report

Particulars as prescribed under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

1. Details of Conservation of Energy

Your Company's operations consume very low levels of energy. It is pleasure to announce that your company's technology center has latest technology energy management system based on human occupancy. As the cost of energy consumed by the Company forms a very small portion of the total costs, the impact of changes in energy cost on total cost is insignificant.

2. Technology Absorption

Your company is a technology driven organization and understands the importance of acquisition of technical expertise from time to time. It has successfully built such expertise over a period of time and shall continue with emerging technologies to be on a leading edge to offer its customers the state of art solutions. Your Company has concentrated on Banking, Financial Services and Insurance (BFSI), IT & ITES, Manufacturing and Retails as vertical industry, which demand continuous research and development in the areas of business analysis, developments, upgrades. Focused efforts have been put into consulting, deployment and management methodologies and tools to help your Company to deliver the best of solutions to customers. Your company has unique proprietary methodology "APDIMA" (Assess, Plan, Design, Implement, Manage and Audit) for technology practices to deliver such solutions.

- a) As part of its Continuous Improvement Program, company has formed core team of highly skilled professionals having expertise in functional as well technical areas. This team aims at improvement of business processes, technologies and people productivity. Your company carries out methodical surveys, market research programs and also participates with global technology leaders to identify and track the new trends.

Your company has been a niche player in the areas of IT Infrastructure management, application Management and Performance management space and to remain leader in this space, your company continues to invest further to develop technology products, technical skills and processes. The core team works closely with technology partners to derive implied benefits of their technology. Your company has now world-class labs at its technology center to develop and design the technology products. This core team is currently focusing on development and enhancement of tools for Infrastructure management and performance management area.

OmniMonitor - An infrastructure and application monitoring appliance has been deployed for various customers for remote monitoring services. This is further enhanced with feature to monitor infrastructure and SAP application in the current year to cater to manufacturing segment.

Team of experts is further working on developing the accelerators/tools for automation of performance management.

- b) **Benefits derived as a result of the above R&D:**

The new technologies and skill sets available with your Company have resulted in development of Intellectual Property (IP) products. These products help your company to offer unique proposition to global customers and also help to derive competitive advantage to win over its competitors. Such products when blended with technology services help your company to save from license costs of various other tools which would have to be used otherwise. Development of software tools and components help your company to offer world-class application solutions in lesser time and most competitive ways. Such tools also enable your company to differentiate from competitors in terms of satisfying customer need.

- c) **Future plan of action**

Your Company will continue to invest on continual development of skills, procedures and processes to ensure optimal utilization of resources available in this highly dynamic industry. Your company will further continue to work in the areas of remote monitoring, management and Disaster Recovery monitoring tools.

- d) **Expenditure on R&D**

Your Company has not incurred any expenditure on R & D during this year.

3. Technology Absorption, Adoption and Innovation

Your Company's quality systems are ISO 9001:2008 certified, which reflects a high degree of technology absorption, adoption and innovation across various operating layers within the company. During the year technology absorption activities have mainly centered on:

- Network Operations Center
- Disaster Recovery Center
- IT Infrastructure Management
- Offshore Development Center using BOT delivery model
- Software Testing Service using SaaS model

4. Foreign Exchange Ingo and Outgo

(Rs. in Lakhs)

	Year Ended 31st March 2010	Year Ended 31st March 2009
Foreign Exchange Earnings:		
Export Sales (F.O.B Basis)	4671.05	5212.95
Commission Received	6.87	-
Foreign Exchange Expenditure:		
Import of Software (C.I.F Basis)	1471.73	2669.09
Import of Capital Goods (C.I.F Basis)	5466.71	-
Expenditure on Foreign Travel	52.38	38.63
Other Expenditure	18.11	7.35

By Order of the Board of Directors
Omnitech InfoSolutions Limited

Sd/-

(Atul Hemani)
Managing Director

Sd/-

(Avinash Pitale)
Executive Director

Place : Mumbai
Date : 18.05.2010

Annexure 'B' to the Directors' Report

Particulars as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 2010

Sr. No	Name	Designation	Qualification	Age (Years)	Experience (In years)	Date of Joining	Previous Employment	Gross Remuneration (Rs. in Lakhs)
1	Mr. Atul Hemani	Managing Director	B.E. (Electrical)	46	23	October 30, 1990	Hindustan Computer Limited	24.06
2	Mr. Devarshi Buch	Executive Director	B.E. (Electrical)	45	23	April 1, 2001	Minicomp Limited	42.52

Notes:

1. All the above-mentioned persons are permanent employees of the Company.

By Order of the Board of Directors
Omnitech InfoSolutions Limited

Sd/-

(Atul Hemani)
Managing Director

Sd/-

(Avinash Pitale)
Executive Director

Place : Mumbai
Date : 18.05.2010

Annexure 'C' to the Directors' Report

Employee Stock Options Scheme 2009

1. Options granted		211857
2. Pricing Formula	Upto 50% discount to Market Price	
3. Options vested		NIL
4. Options exercised		NIL
5. Total number of shares arising as a result of exercise of options		NIL
6. Options lapsed (as at 31 st March 2010)		1400
7. Variation of terms options (as at 31 st March 2010)	variation in pricing formula (upto 50% discount to market price which was approved in EGM on 2-11-2009)	
8. Money realized by exercise of options		NIL
9. Total number of options in force (as at 31 st March 2010)		210457
10. Employee wise details of options granted to		
(a) Employees to whom more than 5% options granted during the year	Mr. Anurag Shah - CEO Technology Services Mr. Nitin Purohit-Associate Vice President-Technology Services.	131392 18000
(b) Employees to whom options more than 1% of issued capital granted during the year		NIL
11. Diluted EPS pursuant to issue of shares on exercise of options		27.89
12. (a) Method of calculation of employee compensation cost Intrinsic value per share is	Calculation is based on intrinsic value method	NIL
(b) Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by Rs.2361555/- had the Company used fair value method for accounting the options issued under ESOS	
(c) Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by Rs.2361555/- and EPS would have been lower by Rs.0.18, had the Company used fair value method of accounting the options issued under ESOS	
13. (a) Weighted average exercise price		Rs. 123.20
(b) Weighted average fair value of options based on Black Scholes methodology		Rs. 81.02
14. Significant assumptions used to estimate fair value of options including weighted average		
(a) Risk free interest rate		7%
(b) Expected life	Average life taken as 18 months from date of Vest	
(c) Expected volatility		87%
(d) Expected dividends	Not separately included, factored in volatility working	
(e) Closing market price of share on a date prior to date of grant		123.20

Report on Corporate Governance

The Company has complied in all respects with the applicable provisions on Corporate Governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges. A Report on the Corporate Governance compliance is furnished below:

(I). COMPANY'S PHILOSOPHY ABOUT CORPORATE GOVERNANCE

The Company is highly committed to the adoption and adherence of good Corporate Governance Practices so as to ensure that all the stakeholders of the Company obtain requisite information about the Company and its operations in an efficient and timely manner. Such Corporate Governance Practices also help enhancement of long term shareholder value and interest of other Stakeholders.

The Board of Directors of the Company fully understand and appreciate the need of increased awareness for transparency and professionalism for effective control and management of the organization.

(II). MANDATORY REQUIREMENTS:

I. Board of directors

(a) Composition of Board of Directors

The board of directors of the Company presently comprises of 8 Directors including one Non-Executive chairman, 3 Executive Directors and 4 Independent Directors. Except Managing Director, other Directors are liable to retire by rotation.

Sr. No.	Particulars of Directors	Category
1	Mr. Maganlal K. Hemani	Non – Executive Chairman
2	Mr. Atul M. Hemani	Executive Director
3	Mr. Avinash C. Pitale	Executive Director
4	Mr. Devarshi D. Buch	Executive Director
5	Dr. Kalimohan J. Bhattacharya	Non – Executive & Independent Director
6	Dr. Ram K. Mangal	Non – Executive & Independent Director
7	Prof. Venkateshwaran H. Iyer	Non – Executive & Independent Director
8	Mr. Vasudeva V. Kamath	Non – Executive & Independent Director

(b) Details about Board Meetings Held During the Year

During the Year, the Board held seven meetings on the following dates:

Board Meeting	Date
First	25 th May, 2009
Second	27 th July, 2009
Third	01 st October, 2009
Fourth	21 st October, 2009
Fifth	22 nd December, 2009
Sixth	04 th January, 2010
Seventh	21 st January, 2010

(c) Attendance of Directors at Board Meetings and the last AGM held on 12th September, 2009

Sr. No.	Name Of Director	No. of Board Meetings Attended	Attendance in the Last AGM (Yes/No)
1	Mr. Maganlal K. Hemani	7	Yes
2	Mr. Atul M. Hemani	7	Yes
3	Mr. Avinash C. Pitale	7	Yes
4	Mr. Devarshi D. Buch	7	Yes
5	Dr. Kalimohan J. Bhattacharya	7	No
6	Dr. Ram K. Mangal	3	No
7	Prof. Venkateshwaran H. Iyer	6	No
8	Mr. Vasudeva V. Kamath	6	Yes

(d) Details about Directorship/Membership of Board Committees held by Directors in Other Companies

Sr. No.	Name Of Director	Directorship(s) Held in Other Companies	Membership of Board Committee Held in Other Companies
1	Mr. Maganlal K. Hemani	Omnitech Technologies Limited, India	None
2	Mr. Atul M. Hemani	1. Omnitech Technologies Limited, India 2. Omni Gulf Technologies W.L.L., Bahrain 3. Omnitech Technologies Inc., USA 4. Omnitech Services Pte Ltd., Singapore 5. Omnitech Services Ltd., Hong Kong 6. Europe Omnitech Technology Services B.V. Netherlands	None
3	Mr. Avinash C. Pitale	1. Omnitech Technologies Limited, India 2. Omni Gulf Technologies W.L.L., Bahrain 3. Omnitech Technologies Inc., USA 4. Omnitech Services Pte Ltd, Singapore 5. Europe Omnitech Technology Services B.V. Netherlands	None
4	Mr. Devarshi D. Buch	1. Omnitech Technologies Inc., USA 2. Europe Omnitech Technology Services B.V. Netherlands 3. Omnitech Services Pte. Ltd., Singapore	None
5	Dr. Kalimohan J. Bhattacharya	1. Gansons Limited, India 2. Marshall Sons & Co (India) Limited, India	None
6	Dr. Ram K. Mangal	None	None
7	Prof. Venkateshwaran H. Iyer	None	None
8	Mr. Vasudeva V. Kamath	None	None

Notes:

- A) None of the directors hold directorships in more than 15 public limited companies.
- B) None of the director holds membership of more than 10 Committees of boards.
- C) None of the Director holds chairmanship of more than 5 committees of Boards.

(e) Code of Conduct

Omnitech Code of Conduct laid down by the Company is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2010. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

2. Audit Committee:

(a) Composition

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges. The Audit Committee currently consists of the following three Directors:

- 1. Dr. Kalimohan J. Bhattacharya - Chairman
- 2. Prof. Venkateshwaran H. Iyer - Member
- 3. Mr. Devarshi D. Buch - Member

The Company Secretary of the Company acts as a secretary to the Audit Committee.

All the members of the Audit Committee have good knowledge of finance, accounts and Company Law.

(b) Terms of Reference

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956 which, inter alia, include overseeing the company's financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions and performance of internal and external auditors.

(c) Meetings and Attendance during the year

During the year 2009-10, 5 Audit Committee Meetings were held on 25th May, 2009, 27th July, 2009, 21st October, 2009, 21st December, 2009 and 20th January, 2010. Attendance of Committee Members at Committee Meetings is as follows:

Name	No. of Meetings Attended
Dr. Kalimohan J. Bhattacharya	5
Prof. Venkateshwaran H. Iyer	5
Mr. Devarshi D. Buch	5

3. Shareholders' Grievance Committee**(a) Composition**

The Shareholder's Grievance Committee currently consists of the following three Directors:

1. Prof. Venkateshwaran H. Iyer - Chairman
2. Dr. Ram K. Mangal - Member
3. Mr. Avinash C. Pitale - Member

(b) Terms of Reference

The terms of reference of the Shareholders' Grievance Committee inter alia include reviewing status of approval of transfer/ transmission of shares, issue of duplicate share certificates and redressal of complaints of investors.

(c) Status of Shareholders' Complaints as on 31st March, 2010

Complaints Pending at the beginning of the Year	Complaints received during the year	Complaints resolved during the Year	Complaints Pending at the end of Year
NIL	4	4	NIL

The Company has appointed M/s. Link Intime India Pvt. Ltd. to act as Registrar and Share Transfer Agent of the Company.

4. Share Transfer Committee**(a) Composition**

The Share Transfer Committee currently consists of the following three Directors:

1. Mr. Atul M. Hemani - Chairman
2. Dr. Ram K. Mangal - Member
3. Dr. Kalimohan J. Bhattacharya - Member

(b) Terms of Reference

The terms of reference of the Share Transfer Committee inter alia include approving transfer of shares and taking note of dematerialization of shares.

5. Shares Allotment Committee**(a) Composition**

The Shares Allotment Committee currently consists of the following three Directors:

1. Mr. Atul M. Hemani - Member
2. Mr. Avinash C. Pitale - Member
3. Mr. Devarshi D. Buch - Member

(b) Terms of Reference

The terms of reference of the Shares Allotment Committee inter alia include allotting of shares pursuant to Omnitech Employees Stock Option Scheme, 2009 and allotting shares pursuant to conversion of convertible warrants.

5. General Body Meetings:

The Company held its last three Annual General Meetings as under:

Date	Time	Venue	No. of Special Resolutions passed
27 th July, 2007	4:00 pm	Omnitech House A/13, Cross Road No. 5, Kondivita Road, Marol, M.I.D.C., Andheri (E), Mumbai - 400093	Nil
13 th June, 2008	10:30 am	Hotel Tunga Paradise MIDC Central Road, Andheri (E), Mumbai - 400093	8**
12 th September, 2009	11:00 am	The Mirador Hotel New Link Road, Chakala, Andheri (E), Mumbai - 400099	2***

In the last three AGMs, there was no resolution passed through postal ballot.

** At the annual general meeting of the company held on 13th June, 2008, Special Resolutions passed were for (a) Issue of share warrants to Wintel Computers Private Limited; (b) Issue of Share Warrants to Mr. Atul M. Hemani; (c) Issue of Share Warrants to Mr. Avinash C. Pitale; (d) Issue of Share Warrants to Mr. Devarshi D. Buch (e) Issue of Share Warrants to Mr. Nikul Shah; (f) Issue of Share Warrants to Mrs. Anuradha Shah; (g) Issue of Share Warrants to Meticulous Fiscal Company Private Limited; (h) Issue of Share Warrants to Mr. Sanjay Asher.

*** At the annual general meeting of the company held on 12th September, 2009, Special Resolutions passed were for (a) Granting of options under the Employee Stock Option Scheme – 2009 to the Employees of the Company (b) Granting of options under the Employee Stock Option Scheme – 2009 to the Employees of the subsidiaries of the Company.

During the year, the Company held an Extraordinary General Meeting on 2nd November, 2009 for passing special resolutions relating to:

- (a) Preferential Allotment of share warrants;
- (b) Issue of FCCBs / ADRs / Convertible Bonds / Qualified Institutional Placement etc.;
- (c) Revision in remuneration payable to Managing Director and the whole time Directors;
- (d) Modification in Omni Employees Stock Option Scheme 2009;

6. Subsidiary Companies

Since the Company does not have any material Non-listed Indian Subsidiary Company, the Company is not required to have an Independent Director of the Company on the Board of such Subsidiary Company as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges.

7. Disclosures

- (a) **Related Party Transactions:** The Company has not entered into any transaction of material nature with the promoters, the directors or the management, their subsidiaries or relatives etc that may have any potential conflict with the interests of the company. Transactions with related parties have been disclosed in Notes to Annual Accounts in the Annual Report.
- (b) **No Penalty:** The Company has been continuously complying with various legal requirements of the stock exchanges, SEBI and other statutory authorities since the day of listing and no penalties have been imposed on the company by them till date.
- (c) **Disclosure of Accounting Treatment:** All mandatory Accounting Standards have been followed in preparation of financial statements and no deviation has been made in following the same.
- (d) **Disclosures on risk management:** The Company has laid down procedures to inform Board members about risk assessment and minimization procedures. These procedures are periodically reviewed by a properly defined framework so as to ensure control management.
- (e) **Proceeds from the preferential issue of warrants:** The details of utilization proceeds raised through the issue of equity warrants have been disclosed to the audit committee and the same have been provided in the notes to Accounts. The Company has not utilised these funds for purposes other than those stated in the notice convening the General Meeting.

8. Remuneration of Directors

The Remuneration is paid to Directors in accordance with the Provisions of the Companies Act, 1956. Non-executive Directors are paid Sitting Fees at the rate of Rs. 5000/- for each of the meetings of Board and Committees thereof (Rs. 15000/- for Meeting of Board and Rs. 7500 for any Committee meetings with effect from 22nd January, 2010). The details of remuneration paid/payable to each of Director for the year ended March 31, 2010 are as under:

Sr. No.	Name Of Director	Category	Salary (In Rs.)	Contribution to PF (In Rs.)	Other Perquisites & Allowances (In Rs.)	Sitting Fees (In Rs.)	Total Remuneration (In Rs.)
1	Mr. Maganlal K. Hemani	Non-Executive Chairman	0	0	0	35000	35000
2	Mr. Atul M. Hemani	Managing Director	1323988	9360	1073613	0	2406961
3	Mr. Avinash C. Pitale	Executive Director	1264012	9360	976848	0	2250220
4	Mr. Devarshi D. Buch	Executive Director	1180436	141654	2929934	0	4252024
5	Dr. Kalimohan J. Bhattacharya	Non-Executive & Independent Director	0	0	0	75000	75000
6	Dr. Ram K. Mangal	Non-Executive & Independent Director	0	0	0	25000	25000
7	Prof. Venkateshwaran H. Iyer	Non-Executive & Independent Director	0	0	0	65000	65000
8	Mr. Vasudeva V. Kamath	Non-Executive & Independent Director	0	0	0	30000	30000

All executive directors are appointed under contracts each for a period of five years and with termination notice of 180 days.

9. Shares held by Non- Executive Directors as on 31st March, 2010

Name	Number of Shares held	% of total shareholding
Mr. Maganlal K. Hemani	10000	0.07
Dr. Kalimohan J. Bhattacharya	25	0.00
Dr. Ram K. Mangal	12000	0.09
Prof. Venkateshwaran H. Iyer	2200	0.02
Mr. Vasudeva V. Kamath	Nil	Nil

** The Company has not allotted Stock options to any of the Directors of the Company.

10. Means of communication

The quarterly, half-yearly, nine months and audited annual financial statements viz., balance sheet, profit and loss account, including schedules and notes thereon, press releases, and presentations are posted on the Company's website i.e. <http://www.omnitechindia.com/html/investors.asp>

The half-yearly, nine months Financial Results are normally published in "The Economic Times" and "The Navbharat Times". All material information about the Company is promptly sent to the Stock Exchanges where the Company's shares are listed and released to wire services and the press for information of the public at large. Also the official news releases and presentations made to FII's/Analysts are displayed on the website.

11. Management Discussion and Analysis Report

As required by sub-clause IV (F) of clause 49 of the listing agreement, Management Discussion and Analysis Report is provided elsewhere in the annual report.

12. General Shareholder Information

(a) Shareholding Pattern as on 31st March, 2010

Category	No. of equity shares	Percentage (%)
Promoter Group:		
(i) Directors	3,576,462	25.80%
(ii) Directors relatives/HUF	2,723,243	19.65%
(iii) Body Corporate	1,311,060	9.46%
Public:		
(i) Mutual Funds	-	-
(ii) Body Corporate	2,191,150	15.81%
(iii) Non- Residents	208,308	1.51%
(iv) Residents	3,848,270	27.77%
Total	13,858,493	100%

(b) Distribution of Shareholding as on 31st March, 2010

No. of Shares	Shareholders		Shares Held	
	Number	%	Number	%
1-500	9,014	90.69	882,292	6.37
501-1000	406	4.08	342,168	2.47
1001-2000	186	1.87	289,086	2.09
2001-3000	84	0.85	219,929	1.59
3001-4000	38	0.38	135,448	0.98
4001-5000	55	0.55	261,359	1.89
5001-10000	62	0.62	484,518	3.50
Above 10000	94	0.95	11,243,693	81.13
Total	9,939	100	13,858,493	100

(c) Listing on Stock Exchanges

Stock Exchange	Stock Code
Bombay Stock Exchange Limited	532882
National Stock Exchange of India Limited	OMNITECH

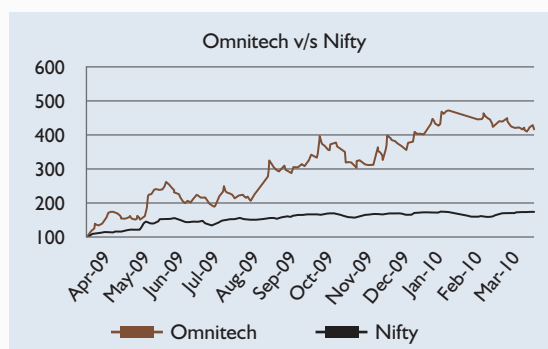
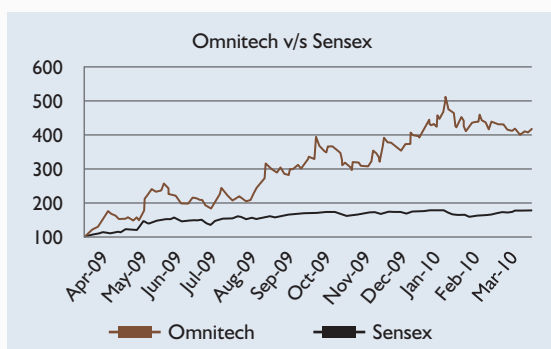
(d) Listing Fees and Annual Custodial Fee

The Company has paid the Annual Listing fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the year 2009-10.

(e) Market Price Data

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly Volume
Apr-09	69.50	35.75	760,370	68.30	35.80	609,907
May-09	96.70	53.55	918,826	95.50	54.00	806,495
Jun-09	101.95	72.30	631,012	102.65	72.00	647,792
Jul-09	96.45	66.50	429,192	98.00	67.00	399,466
Aug-09	125.80	72.05	1,971,482	126.45	74.10	2,241,029
Sep-09	132.05	107.05	1,183,545	132.70	107.00	1,487,025
Oct-09	154.40	115.50	2,585,238	154.80	113.00	4,048,648
Nov-09	141.50	107.35	1,132,418	141.50	107.25	1,515,503
Dec-09	159.40	132.45	2,589,786	159.50	132.00	3,407,018
Jan-10	201.95	151.20	3,982,286	201.70	151.55	5,111,438
Feb-10	180.90	154.60	877,869	180.50	152.95	946,181
Mar-10	172.00	151.00	807,014	174.90	151.10	988,191

Index Comparison



Source : Yahoo Finance

(f) 20th Annual General Meeting

Date	29 th September, 2010
Time	11 A.M.
Venue	The Mirador Hotel, New Link Road, Chakala, Andheri (East), Mumbai – 400099
Tentative Financial calendar 10-11:	
1st Quarter Results	3rd Week of July, 2010
2nd Quarter /half yearly results	3rd Week of October, 2010
3rd Quarter Results	3rd Week of January, 2011
Annual Results	3rd / 4th Week of May, 2011
Financial Year	1 st April to 31 st March
Date of book closure (Both days inclusive)	11 th September, 2010 to 29 th September, 2010
Dividend payment Date	On or after 30 th September, 2010

(g) Share Transfer System

The company's Registrar and Transfer Agent have been entrusted with the handling of physical transfer of shares as well as dematerialization of shares. The Board of Directors of the company has delegated the power of approval of share transfer processed by Registrar and Transfer Agent to **Shareholders' Grievance Committee** which comprises of Chairman, one Executive Director and one Non-Executive Independent Director.

(h) Dematerialisation of Shares

The company's RTA has the required infrastructure for dematerialisation of shares. As per the defined norms of dematerialisation process, shares received for dematerialisation are generally taken care within a time span of five days from the date of receipt. As on 31st March, 2010, 89.81% of the outstanding shares are in electronic form.

(i) Outstanding Convertible Warrants

During the Financial year ended on 31st March, 2010, the Company issued 8,62,000 Convertible warrants on preferential basis in accordance with SEBI Guidelines. The said convertible warrants can be converted into the equity shares within 18 months of the issue. As on 31st March, 2010, none of the said warrants have been converted into Equity Shares.

(j) Registrar & Share Transfer Agent and address of correspondence

Any clarification/grievances/queries/suggestions pertaining to share transfer/Dematerialisation can be addressed to the company's Registrar and Transfer Agent at their following address:

Link Intime Private Limited
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup (W), Mumbai-400078
Ph: (022) 25963838; Fax: (022) 25962691
E-mail: rnt.helpdesk@linkintime.co.in

(k) Compliance Officer

Mr. Gaurav Sharma, Company Secretary & Chief Officer (Compliance & Legal)
Omnitech House, A/13, Cross Road No. 5,
Marol MIDC, Andheri (E), Mumbai – 93
Ph: (022) 40956666; Fax: (022) 40956565

(l) Plant Location

- (i) A-13, Cross Road No.5, Kondivita Road, Marol M.I.D.C., Andheri (E), Mumbai – 400093
- (ii) A-812, T.T.C. Industrial Area, Koparkhairane, Navi Mumbai 400703
- (iii) 106, 1st Floor, Building No. 17, Mind Space, Pocharam, Opp. Sanskrit Township, Gatkesar (Township), Hyderabad-500087

13. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director (CEO) was placed at the meeting of the Board of Directors held on 18th May, 2010.

(III). NON-MANDATORY REQUIREMENTS

I. Compensation Committee

(a) Composition

The Compensation Committee currently consists of the following three Directors:

- | | | |
|----------------------------------|---|----------|
| 1. Dr. Ram K. Mangal | - | Chairman |
| 2. Dr. Kalimohan J. Bhattacharya | - | Member |
| 3. Prof. Venkateshwaran H. Iyer | - | Member |

(b) Terms of Reference

The terms of reference of the Committee are to review and recommend/approve remuneration payable to the Managerial Personnel.

(c) Meetings and Attendance during the year

During the year, 2 meetings were held on 12th August, 2009 and 6th October, 2009. The attendance of Committee Members at the said meetings is as under:

Members	Meetings attended
Prof. Venkateshwaran H. Iyer	1
Dr. Ram K. Mangal	2
Mr. Kalimohan J. Bhattacharya	2

By Order of the Board of Directors
Omnitech InfoSolutions Limited

Sd/-

(Atul Hemani)
Managing Director

Place : Mumbai
Date : 18.05.2010

CEO'S Certification

All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement made with the Stock Exchanges.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 18.05.2010

Sd/-
(Atul Hemani)
Managing Director

Certification by the Chief Executive Officer (CEO)/ Chief Financial Officer (CFO) on Financial Statements of the Company

- (1) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (3) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (4) I have indicated to the auditors and the Audit committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Mumbai
Date : 18.05.2010

Sd/-
(Atul Hemani)
Managing Director

Auditors' Certificate on Compliance of Corporate Governance

To the Members of

OMNITECH INFOSOLUTIONS LIMITED

Omnitech House, A/13, Cross Road, No 5,
Kondivita Road, Marol, M.I.D.C., Andheri (East),
Mumbai – 400093

We have examined the compliance of conditions of Corporate Governance by Omnitech InfoSolutions Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the listing agreements entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

For SHAH JADAVJI & CO.
[Chartered Accountants]

Sd/-
Navin R. Gala
Partner

Membership No. 40640
Firm Reg No 109620W

Place : Thane
Date : 18.05.2010

Auditors' Report

To the Members of

OMNITECH INFOSOLUTIONS LIMITED

Omnitech House, A/13, Cross Road, No 5,
Kondivita Road, Marol, M.I.D.C., Andheri (East),
Mumbai – 400093

1. We have audited the attached Balance Sheet of OMNITECH INFOSOLUTIONS LIMITED as at 31st March, 2010 and the attached Profit & Loss account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, (the said order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, (the Act), as amended by the Companies (Auditors Report) amendment Order, 2004, and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors of the Company as at 31st March, 2010 and taken on record by the Board of Directors, none of the directors is prima facie disqualified as on above date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. Subject to the forgoing, in our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes on accounts and other notes thereon, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. In the case of Balance Sheet of the State of affairs of the Company's as at 31st March 2010 ;
 - b. In the case of the Profit & Loss Account ,of the profit for the year ended on that date; and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For SHAH JADAVJI & CO.
[Chartered Accountants]

Sd/-
Navin R. Gala
Partner

Membership No. 40640
Firm Reg. No. 109620W

Place : Thane
Date : 18.05.2010

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets are physically verified by the Management at reasonable intervals having regard to size of the Company and nature of its assets. We have been informed that no material discrepancies were noticed during such physical verification.
- (c) According to information and explanation given to us, we are of the opinion that during the year, the company has not sold/disposed off any substantial part of its fixed assets; accordingly, going concern is not affected and hence the provisions of sub clause (c) of clause (i) of this order are not applicable.
- ii. (a) According to information and explanation given to us, the inventory has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verification carried out by the management is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act. As the Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act, paragraphs of (iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further based on our examinations and according to the information and explanations given to us, we have neither come across nor have we been informed of any major weakness in the internal control.
- v. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, if any, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- vi. The Company has not taken any deposits from the public within the meaning of section 58 A & 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) rules 1975 and hence the provisions of the clause of 4(vi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company. .
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956, for the products manufactured / traded by the Company.
- ix. (a) Undisputed Statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of vat tax, customs duty wealth tax, excise duty and cess which have not been deposited on account of any dispute. Company has paid income tax of Rs. 35.00 Lakhs upto 31.03.2010 and additional Rs. 25.00 Lakhs till date on account of dispute for the assessment year 2006-2007 for which assessment was completed during the period under audit, raising a demand of Rs. 2.88 Crores. Company has preferred as appeal with Commissioner of Income Tax (Appeal) – VII on 30.01.2010

- x. The company has neither accumulated losses as at 31st March, 2010 nor it has incurred cash losses during the financial year ended on that date and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of dues to banks or financial institution as at balance sheet date.
- xii. In our opinion and according to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments except those investment which are held as investments. Accordingly the provisions of clause 4 (xiv) of the companies (Auditor's Report) are not applicable to the company.
- xv. According to information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. On the overall examinations of the balance sheet of the company, in our opinion and according to information and explanations given to us, no instances of application of long term funds for short term purposes and short term fund for long term purposes were noticed.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of equity shares to parties covered in the register maintained under section under section 301 of the Act, hence the provisions of clause (xviii) are not applicable.
- xix. The Company has not issued any debentures during the year; hence the provisions of clause (xix) are not applicable.
- xx. In our opinion, in respect of monies raised by way of public issue during the year, the management has disclosed the end use of money raised and the same has been verified.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For SHAH JADAVJI & CO.
[Chartered Accountants]

Sd/-
Navin R. Gala
Partner

Membership No. 40640
Firm Reg. No. 109620W

Place : Thane
Date : 18.05.2010

Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	Sch. No.	As at 31 st March 2010	As at 31 st March 2009
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	1,385.85	1,313.93
Reserves & Surplus	2	15,720.08	10,805.63
Equity Share Warrants	3	266.02	219.30
Deferred Tax Liability		902.35	658.86
Loan Funds			
Secured Loans	4	4,391.52	3,322.59
Unsecured Loan		-	-
		22,665.82	16,320.30
APPLICATION OF FUNDS			
Fixed Assets	5	15,322.51	8,795.85
Less : Depreciation		3,066.21	2,007.30
Net Block		12,256.31	6,788.55
Less : Impairment of Assets		6.10	6.10
		12,250.21	6,782.45
Capital Work in Process		1,385.97	793.49
Investments	6	258.53	1,389.96
Current Assets, Loans and Advances			
Receivables	7	5,139.19	5,849.13
Cash & Bank Balance including Fixed Deposits	8	386.13	284.93
Inventories	9	2,871.13	1,400.06
Loans and Advances	10	3,552.58	1,663.25
Sub Total		11,949.04	9,197.36
Current Liabilities and Provisions			
Current Liabilities	11	866.52	518.76
Provisions	12	2,311.41	1,330.22
Sub Total		3,177.93	1,848.98
Net Current Assets		8,771.11	7,348.39
Misc Expenditure (to the extent not written off)			
Preliminary Expenses		-	6.02
		22,665.82	16,320.30
Significant Accounting Policies & Notes on Accounts	19		

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

As per our Report of even date

For M/s. Shah Jadavji & Co.
Chartered Accountants

For and on Behalf of Board of Directors

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Place : Thane
Date : 18.05.2010

Profit & Loss Account for the year ended 31st March 2010

(Rs. in Lakhs)

	Sch. No.	Year ended 31 st March 2010	Year ended 31 st March 2009
INCOME			
Income from Operations		21,649.66	17,142.62
Other Income	13	105.30	218.51
(Loss) / Profit on Sale of Fixed Assets		20.49	-
Total Income		21,775.45	17,361.13
EXPENDITURE			
Materials Consumed and Other Direct Expenses	14	12,250.73	9,746.65
Staff Cost	15	1,323.13	1,000.59
Administrative and Other Expenses	16	838.04	946.86
Selling and Distribution Expenses	17	300.40	307.17
Financial Expenses	18	462.45	379.04
Miscellaneous Expenditure Written Off		6.02	7.93
Total Expenditure		15,180.77	12,388.23
Net Profit before Depreciation and Tax		6,594.68	4,972.90
Less : Depreciation		1,565.89	795.01
Net Profit before Tax		5,028.80	4,177.89
Less : Provision for Taxation - Current Year		846.35	473.23
Less : Provision for Fringe Benefit Tax		-	17.35
Less : Provision for Deferred Tax		243.50	377.43
Net Profit after Tax		3,938.95	3,309.88
Less : Proposed Dividend		207.88	157.67
Less : Dividend Tax		35.33	26.80
Less : Transfer to General Reserves		200.89	85.00
Balance carried forward to Balance Sheet		3,494.86	3,040.41
Significant Accounting Policies & Notes on Accounts	19		

The Schedules referred to above and the notes thereon form an integral part of the Profit & Loss Account.

As per our Report of even date

For M/s. Shah Jadavji & Co.
Chartered Accountants

For and on Behalf of Board of Directors

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Place : Thane
Date : 18.05.2010

Cash Flow Statement for the year ended 31st March 2010

(Rs. in Lakhs)

	Year ended 31 st March 2010	Year ended 31 st March 2009
(A) Cash flow from operating activities		
Net profit before tax & extra ordinary items & prior period items	5,028.80	4,177.89
Adjustment for:		
Profit on sale of fixed assets	-20.49	0.00
Dividend income	-18.43	-163.24
Discount	-21.82	0.00
Unrealised Foreign Exchange Gain/loss	-6.54	-530.17
Investment written back	-3.81	0.00
Interest Income	-10.80	-33.79
Capital gain	-53.56	0.00
	4,893.35	3,450.69
Miscellaneous expenses written off	6.02	7.93
Acquisition Expenses	0.00	39.54
Depreciation	1,565.89	795.01
Provision for Impairment of Assets	0.00	6.10
Provision for Slow Moving Items	0.00	8.47
Bad Debts	59.53	75.71
Financial expenses	462.45	379.02
Provision for diminuation in value of assets	0.00	99.85
	2,093.89	1,411.63
Operating profits before working capital changes	6,987.24	4,862.32
Changes in working capital		
(Increase)/Decrease in Receivables	709.94	-2,334.74
(Increase)/Decrease in Other Current Assets	-1,453.80	-851.59
(Increase)/Decrease in Loans and Advances	-1,348.23	-1,030.04
Increase/(Decrease) in Trade & Other Payable	347.50	-163.35
Increase/(Decrease) in Provision for Expenses	92.18	693.26
Taxes Paid(T.D.S)	-557.19	-163.11
	-2,209.60	-3,849.57
Cash flow from operating activities	4,777.64	1,012.75
TOTAL [A]		

Cash Flow Statement for the year ended 31st March 2010

(Rs. in Lakhs)

	Year ended 31 st March 2010	Year ended 31 st March 2009
B) Cash flow from investing activities		
Purchase of fixed assets (net of sales)	-7,040.29	-2,629.58
Dividend received	18.43	163.24
Interest Income	10.80	33.79
Proceeds from sale of investments (net of purchases)	1,184.77	835.41
Capital work in progress	-592.48	-793.49
Net cash used in investment activities TOTAL [B]	-6,418.77	-2,390.63
C) Cash flow from financing activities		
(Repayment of loan)/proceeds from borrowing (net)	1,068.92	1,467.46
Financial expenses	-462.45	-379.04
Dividend paid	-157.42	-157.67
Dividend Tax paid	-26.80	-26.80
Issue of share warrants	146.98	219.30
Increase in share capital and share premium	1,190.36	0.00
Net cash used in financing activities TOTAL [C]	1,759.59	1,123.25
Net changes in cash or cash equivalents (A+B+C)	118.46	-254.63
Cash & Cash equivalents at the beginning of the year	151.26	405.89
Cash & Cash equivalents at the end of the year	269.71	151.26

For M/s. Shah Jadavji & Co.
Chartered Accountants

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Place : Thane
Date : 18.05.2010

For and on Behalf of Board of Directors

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Schedules forming part of Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
I SHARE CAPITAL		
Authorised Share Capital		
20000000 (20000000) Equity Shares of Rs.10/- each	2,000.00	2,000.00
Issued , Subscribed and Paid up Share Capital		
13858493 (13139283) Equity Shares of Rs.10/- each, fully paid up.	1,385.85	1,313.93
(a) Of the above 3024820 (3024820) Equity Shares of Rs.10/- each have been issued as fully paid up bonus shares by capitalisation of free reserves		
(b) Of the above 400000 (400000) equity shares of Rs.10/- each issued at a premium of Rs.90/- per share on preferential basis.		
(c) Of the above 3333333 (3333333) equity shares of Rs. 10/- each issued at a premium of Rs.95/- per share In IPO.		
(d) Of the above 719210 (Nil) equity shares of Rs.10/- each issued at a premium of Rs.155.51 per share pursuant to conversion of Share Warrants		
	1,385.85	1,313.93
2 RESERVES AND SURPLUS		
Share Premium		
Amount Brought Forward	3,504.47	3,504.47
Add: Additions During the Period	1,118.44	-
	4,622.92	3,504.47
Less: Utilised for issue of fully paid bonus shares	-	-
	4,622.92	3,504.47
Less : Utilised for writing off Issue Expenses	-	-
	4,622.92	3,504.47
General Reserve		
Amount Brought Forward	150.55	65.55
Add: Additions During the Period	200.89	85.00
	351.43	150.55
Less: Utilised for issue of Fully Paid Bonus shares	-	-
	351.43	150.55
Profit and Loss Account		
Amount brought forward	7,150.61	4,110.19
Transferred from Profit and Loss A/c	3,494.86	3,040.41
	10,645.47	7,150.61
Less: Utilised for issue of fully paid bonus shares	-	-
Less: Provision for Gratuity	-	-
Less: Provision for Leave Encashment	-	-
	10,645.47	7,150.61
Capital Reserve		
Amount forfeited due to lapse of Share Warrants	100.26	-
	100.26	-
	15,720.08	10,805.63
3. EQUITY SHARE WARRANTS		
Upfront Consideration at, 8,62,000 (13,25,000) Equity Warrants of Rs.10 each to be converted into one Equity Share at a premium of Rs. 112.59 (Rs.155.51) in exercise of Warrant Holders on or before 22 nd June, 2010 (4 th January, 2010)	264.18	219.30
Remaining Consideration at, 2000 (Nil) Equity Warrants out of 8,62,000 Equity Warrants pending conversion	1.84	-
	266.02	219.30

Schedules forming part of Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
4 SECURED LOANS		
(a) From Axis Bank Ltd.:		
Term Loan	35.02	125.49
(Secured against first charge on movable assets, current assets, mortgage of immovable properties of the company and personal guarantee of some of the Directors) [Amount due within one year is Rs. 3501706/- (Rs. 9047654/-)]		
Working Capital Demand Loan	-	-
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
Cash Credit	-	1,230.75
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
Letter of Credit	-	497.42
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
(b) From Kotak Mahindra Bank Ltd.:		
Working Capital Demand Loan	300.00	-
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
Term Loan	847.65	-
(Secured against first pari passu charge on movable assets, second pari passu charge on current assets, mortgage of immovable properties of the company by second pari passu charge) [Amount due within one year is Rs. 35075270/- (Nil)]		
(c) From Standard Chartered Bank Ltd.:		
Cash Credit	404.75	251.06
(Secured against hypothecation of stocks and book debts of the company)		
Packing Credit in Foreign Currency	724.60	798.50
(Secured against hypothecation of stocks and book debts of the company)		
(d) From Hongkong and Shanghai Banking Corporation Ltd.:		
Packing Credit in Foreign Currency	-	417.88
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
(e) From ICICI Bank Ltd.:		
Car Loan	9.98	1.48
(Secured against hypothecation of Cars) [Amount due within one year is Rs. 191584/- (148198/-)]		
(f) From HDFC Bank:		
(Secured against hypothecation of Cars) [Amount due within one year is Rs. 244482/- (NIL)]	5.41	-
(g) From IDBI Bank Ltd.:		
Cash Credit	1,309.08	-
(Secured against first pari passu charge on movable assets, first pari passu charge on current assets, mortgage of immovable properties of the company by second pari passu charge)		
Letter of Credit	755.02	-
(Secured against first pari passu charge on movable assets, first pari passu charge on current assets, mortgage of immovable properties of the company by second pari passu charge)		
	4,391.52	3,322.59

Schedules forming part of Balance Sheet as at 31st March 2010 (Contd.)

5. Fixed Assets

Sr. No.	Descriptions of Fixed Assets	Gross Block				Depreciation				Net Block		Rate of Dep.
		Opening Bal. as on 01.04.2009	Additions	Deletion	Total	As at 31.03.2009	For the Year	On Deductions	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	
1.	Business Acquisition	45.50	-	-	45.50	45.50	-	-	45.50	-	-	-
2.	Office Building	265.32	-	-	265.32	14.92	4.32	-	19.25	246.07	250.40	1.63%
3.	Land at MIDC	133.34	-	-	133.34	12.31	2.05	-	14.36	118.98	121.03	-
4.	Land at Pune	283.61	-	-	283.61	5.73	2.86	-	8.60	275.01	277.88	-
5.	Software and Software pro	36.06	-	-	36.06	21.64	7.21	-	28.85	7.21	14.42	16.21%
6.	Computer Systems	7,393.88	7,455.50	1,004.26	13,845.12	1,787.05	1,508.51	506.98	2,788.57	11,056.55	5,606.83	16.21%
7.	Furniture & Fixture	571.85	41.91	-	613.76	90.93	36.08	-	127.00	486.76	480.93	6.33%
8.	Office Equipments	37.78	2.38	-	40.15	12.75	1.55	-	14.31	25.84	25.02	4.75%
9.	Car	28.51	23.91	-	52.42	16.48	3.30	-	19.78	32.64	12.03	9.50%
10.	Capital Expenditure	-	7.23	-	7.23	-	-	-	-	7.23	-	-
	Total	8,795.85	7,530.93	1,004.26	15,322.51	2,007.30	1,565.89	506.98	3,066.21	12,256.31	6,788.55	
	Previous Year	5,169.51	2,626.33	-	8,795.85	1,212.29	795.01	-	2,007.30	-	-	

(Rs. in Lakhs)

Schedules forming part of Balance Sheet as at 31st March 2010 (Contd.)

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
6 INVESTMENTS		
Short Term Investments		
(Trade - Quoted)		
Birla Sunlife Income Plus Growth Fund NIL (51,097.18) units of Rs. 39.1411/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 2,023,928.64/-)	-	20.00
Birla Sunlife Income Plus Quarterly Dividend NIL (637187.96) units of Rs. 11.7199/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 7,126,246.3/-)	-	71.26
DSP Blackrock Bond Fund - Growth Fund NIL (335,739.46) units of Rs. 29.785/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 9,749,907.78/-)	-	97.50
DSP Blackrock Floating Rate Fund NIL (304,431.245) units of Rs. 14.1247/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 4,307,001.925/-)	-	43.00
ICICI Prudential Institutional Income Plan - Quarterly Dividend NIL (870,537.45) units of Rs. 11.9171/- each and NIL (3,194,425.267) units of Rs. 12.487/- each, Market Value as on 31.03.10 is NIL (Previous Year Rs. 46,546,262.78/-)	-	465.46
Reliance Income Fund Quarterly Dividend NIL (2,113,583.73) units of Rs. 14.1983/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 27,459,891.18/-)	-	274.60
Reliance Income Fund Monthly Dividend NIL (1,425,497.41) units of Rs. 11.4871/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 14,558,319.93/-)	-	145.58
UTI Bond Fund Growth NIL (890,561.66) units of Rs. 28.12/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 22,373,847.75/-)	-	223.74
[Aggregate amount of Quoted Investments Aggregate Market Value NIL (Previous Year Rs. 134,145,406.29/-)]	-	1,341.14
Long Term Investment		
(Other than traded - Unquoted)		
12709 Shares of Bombay Mercantile Co-op Bank Ltd of Rs. 30/- each fully paid up	3.81	3.81
31300 (31300) shares of USD 1/- each of Omnitech Technologies Inc, USA	12.93	12.93
NIL (160) shares of YEN 50000/- each of Omnitech TSB Co. Ltd, Japan	-	32.07
180 (NIL) shares of EURO 100/- each of Europe Omnitech Technologies Services B.V., Netherlands	66.52	-
367233 (NIL) shares of USD 1/- each of Omnitech Services Pte. Ltd., Singapore	171.64	-
Investment in FCD/PCD of Lloyds Finance Ltd.	3.62	-
[Aggregate amount of unquoted investments Rs. 2,58,52,835/- (Previous Year Rs. 48,81,195/-)]	258.53	48.81
	258.53	1,389.96

Schedules forming part of Balance Sheet as at 31st March 2010 (Contd.)

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
7. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months	1,340.73	3,329.58
Other Debtors	3,798.46	2,519.54
	5,139.19	5,849.13
8. CASH AND BANK BALANCES		
Cash-in-hand	16.32	11.61
Balances with Scheduled Banks		
On Current Accounts	253.43	139.65
On Deposit Accounts	116.02	133.30
On Margin Money Accounts	0.37	0.37
	386.13	284.93
9. INVENTORIES		
Finished Goods	2,871.13	1,400.06
(Inventory valued at cost or market value whichever is lower and as certified by the management)		
	2,871.13	1,400.06
10. LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	3,458.80	1,580.00
Deposits	93.79	83.25
	3,552.58	1,663.25
11. CURRENT LIABILITIES		
Sundry Creditors	705.22	224.35
Unpaid Dividend	7.57	7.31
Duties & Taxes	99.33	216.13
Deposits Received	54.39	70.96
	866.52	518.76
12. PROVISIONS		
Provision For Expenses	166.51	143.91
Provision For Gratuity	42.75	8.51
Provision For Leave Encashment	49.12	13.78
Provision For Income Tax	1,776.34	930.00
Provision For FBT	33.47	49.55
Provision For Proposed Dividend	207.88	157.67
Provision For Dividend Tax	35.33	26.80
	2,311.41	1,330.22

Schedules forming part of Profit & Loss Account for the year ended 31st March 2010

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
13. OTHER INCOME		
Capital Gain	53.56	-
Interest Income	10.80	33.79
Miscellaneous Receipts	22.51	21.48
Dividend from Mutual Funds on short term investments	18.43	163.24
	105.30	218.51
14. MATERIALS CONSUMED AND OTHER DIRECT EXPENSES		
Cost of Sales	11,911.46	9,506.56
Consumable Spares Parts and Stores	111.46	18.89
Transportation	1.71	0.44
Technical Repairs and Service Charges	226.09	220.76
	12,250.73	9,746.65
15. STAFF COST		
Salaries & Bonus	1,199.30	888.83
PF & ESIC Contribution	32.44	27.63
Remuneration to Whole Time Directors	89.09	82.78
Sitting Fees to Non-Executive Directors	2.30	1.35
	1,323.13	1,000.59
16. ADMINISTRATIVE AND OTHER EXPENSES		
Conveyance	9.64	9.07
Rent, Rates and Taxes	140.44	111.92
Communication Cost	69.52	62.01
Legal and Professional Charges	377.85	499.70
Postage & Courier	9.18	4.26
Printing & Stationery	14.45	15.77
Diwali and Pooja Expenses	4.20	3.79
Office Maintenance	16.50	12.33
Electricity Charges	30.81	32.94
Insurance	10.25	2.44
Vehicle Maintenance Expenses	11.61	8.25
Books & Periodicals	0.12	0.14
Statutory Fees	10.06	0.42
License Renewal Fees	-	0.31
Fuel Charges	3.63	3.78
Provision for Impairment of Assets	-	6.10
Provision for diminuation in Value of Assets	-	99.85
Membership & Subscription	5.35	3.57
Office Expenses	45.24	36.55
Packing Expenses	0.83	0.05
Recruitment Expenses	16.30	12.99
Registration Expenses	0.16	0.46
Claim against performance guarantee	-	10.22
Stock Exchange Expenses	0.79	0.75
Donation	23.07	-
Sale Tax Paid (Assessment Dues)	27.62	-
Service Tax Expenses	1.07	-
Miscellaneous Expenses	9.35	9.18
	838.04	946.86

Schedules forming part of Profit & Loss Account for the year ended 31st March 2010 (Contd.)

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
17. SELLING AND DISTRIBUTION EXPENSES		
Transportation Outward	37.40	20.84
Travelling Expenses	88.14	67.57
Advertisement Expenses	12.56	6.51
Acquisition Expenses	-	39.54
Bad Debts	59.53	75.71
Discount	5.64	35.23
Business Promotion Expenses	39.18	24.59
Commission on Sales	4.00	3.06
Rentals Computers	53.77	10.00
Tender Expenses	-	0.08
Value Added Tax Paid / Sales Tax	0.01	17.43
Exhibition & Conference Expenses	0.19	6.61
	300.40	307.17
18. FINANCIAL EXPENSES		
Interest Paid	385.72	274.90
Processing Charges & Other Finance Cost	23.19	36.30
Bank Charges	29.03	35.19
L C Charges	24.51	32.65
	462.45	379.04

Schedules to the Profit & Loss Account & Balance Sheet**19. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements :**

- The financial statements have been prepared under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and in compliance with the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies act, 1956 as adopted consistently by the company.
- Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

2. Revenue Recognition :

- Revenue from sales in respect of hardware is recognized when they are completed with passing of the title and are exclusive of sales tax, octroi and other incidental expenses.
- Revenue from software development is recognized in accordance with the percentage of completion method and revenue from sale of licenses of software products and other products is recognized on delivery / installation, as the case may be.
- Revenue from IT infrastructure networking, annual service contracts and facilities management services is deferred and recognized ratably over the period of the underlying maintenance agreement.
- Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend Income is recognized when the shareholders' right to receive payment is established by the Balance Sheet Date.

3. Expenditure :

Expenses are accounted on accrual basis and the provisions are made for all known losses and liabilities. No provisions are made towards likely expenses on providing post-sales client support for fixed priced contracts as well as in respect of annual technical service contracts in so far as it pertains to the period beyond the current accounting year.

4. Fixed Assets and Depreciation :

i. Fixed Assets

- a) Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition & installation of the concerned assets less accumulated depreciation and impairment losses, if any,.
- b) Costs that are directly associated with identifiable and unique software products controlled by the Company, whether developed in-house or acquired, and have probable economic benefits exceeding the cost are recognized as product development.
- c) Assets acquired under lease are at cost of acquisition including incidental expenses related to acquisition & installation of such assets.
- d) Advances paid towards acquisition of fixed assets and the cost of assets not ready for use as at the Balance Sheet date are disclosed under capital work-in-progress.

ii. Depreciation/Amortization.

- a) Depreciation on Software and Computer Systems is provided based on Management's estimate of useful life of Software/System however subject to maximum period of 6 years. Depreciation on Fixed Assets other than Land and those mentioned above has been provided on Straight Line Method at the following rates:

Asset Group	Rates (SLM)
Furniture & Fixtures	6.33%
Vehicles	9.50%
Office Equipments	4.75%
Office Premises	1.63%

- b) Product Development Expenses capitalized are amortized over its useful life for a period not exceeding ten years
- c) Leasehold assets are amortized over the period of lease.
- d) Miscellaneous expenditure is amortized over a period of 5 years from the year in which it has been incurred.

5. Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items of fixed assets carried at cost. The recoverable amount is higher of an assets net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset, from its disposal at the end of its useful life.

6. Inventories:

Inventories have been valued on the following basis:

- | | |
|--|--|
| i). Raw Materials, packing material, stores and spares | - At cost. |
| ii). Work-in-progress | - At cost plus appropriate allocation of overheads. |
| iii). Finished Goods | - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower |

7. Investments :

Investments are classified into current investment and long term investments. Current investments are stated at lower of cost or fair market value. Long Term Investments are stated at cost less provision for permanent diminution in value if any, of investments.

8. Foreign Exchange Transactions :

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss account. Foreign currency assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognized in the Profit and Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of the respective assets.

9. Research & Development :

- i. Revenue expenditure on R&D is charged to profit & loss account in the year in which it is incurred where the Company is not certain of realizing future economic benefits from such activities.
- ii. Capital expenditure on R&D is included under the relevant fixed assets.

10. Employee Benefits:

i. Short Term Employee Benefits

All short term employee benefits such as salaries, wages, bonus, medical benefits which fall due within 12 months of the period in which the employee renders the related services are charged to the profit and loss account.

ii. Long Term & Post- Employment Benefits

(a) Defined Contribution Plan

Company's contribution paid/payable during the year towards Provident Fund Scheme, ESIC is recognized in the Profit & Loss Account.

(b) Defined Benefit Plan

The Company's Gratuity Benefit Scheme is a defined benefit plan. The Company's liability for gratuity is determined by actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and Losses are immediately recognized in Profit & Loss Account as income and expense.

11. Borrowing Costs :

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Profit & Loss Account.

12. Deferred tax :

Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty of their realization and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

13. Provision for Tax:

Provision for current tax is determined on the basis of estimated taxable income for the period as per the provisions of Section 115JB Income Tax Act, 1961.

14. Earnings per Share (EPS) :

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

15. Provision and Contingent Liabilities

Provisions are recognized and computed in accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India i.e. they are recognized if the following conditions are satisfied:

- i. The Company has a present obligation as a result of past event;
- ii. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. A reliable estimate can be made of the amount of the obligation.

Similarly, the Contingent liabilities are disclosed in Accordance with the Accounting Standard 29 i.e. they are disclosed when the Company has a possible obligation or a present obligation and it is probable that a Cash Outflow will not be required to settle the obligation

16. Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on a straight-line basis over the period of lease.

B. NOTES TO THE ACCOUNTS:

1. The previous year's figures have been recast/restated, wherever necessary, to confirm to current year's classification.

2. Contingent Liabilities

(Rs. in Lakhs)

	31 st March 2010	31 st March 2009
Contingent Liability (Outstanding guarantees given by banks in favor of various government authorities and others)	61.69	34.24

3. Managerial Remuneration

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
(i) To Executive Directors:		
Basic Salary	37.68	47.77
Contribution to PF	1.60	2.01
Other Perquisites & Allowances	49.81	33.00
TOTAL	89.09	82.78
(ii) To Non-Executive Directors:		
Directors' sitting fees	2.30	1.35

Computation of Net profit in accordance with the Section 349 of the Companies Act, 1956 for Calculation of Remuneration Payable to Directors

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Profit before Depreciation as per Profit & loss Account	6594.68	4972.90
Add:		
1. Directors' Remuneration	89.09	82.78
2. Loss on Sale of Assets	-	-
	7043.77	5055.68
Less:		
1. Profit on sale of Assets	20.49	-
2. Depreciation under Section 350	1565.87	795.01
Net Profit computed under Section 349	5457.41	4260.67
Maximum Permissible Remuneration payable to Managing Director and Whole Time Directors under Section 309 (3)	10%	10%
Maximum Permissible Managerial Remuneration	545.74	426.06

4. Foreign exchange Income & Expenditure

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Foreign Exchange Earnings:		
Export Sales (F.O.B Basis)	4671.05	5212.95
Commission Received	6.87	-
Foreign Exchange Expenditure:		
Import of Software (C.I.F Basis)	1471.73	2669.09
Import of Capital Goods (C.I.F Basis)	5466.71	-
Expenditure on Foreign Travel	52.38	38.63
Other Expenditure	18.11	7.35

5. Major components of deferred tax assets and deferred tax liabilities

(Rs. in Lakhs)

Deferred Tax Liabilities	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Due to difference between book depreciation and tax depreciation	259.13	284.56
Expenses allowable on payments and others	(15.64)	(7.14)

6. Payment to Auditors

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Audit fees	5.75	3.75
Taxation Matters	0.30	3.07
Certification & Other Matters	1.92	5.50
For Service Tax	0.82	1.52

7. Dues to Micro, Small and Medium Enterprises

The Company has not received any memorandum (as required to be filed by the Suppliers with the notified authorities under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2010 as micro, small or medium Enterprises. Consequently the amount paid/payable to these parties during the year is unascertainable.

8. Balances standing to the account of the debtors, creditors, advances, receivables and deposits are subject to confirmations.

9. Earnings Per Share

Particulars	Financial Year 31 st March 2010	Financial Year 31 st March 2009
Face Value Per Share (Rs.)	10	10
i. Weighted average number of Equity shares		
(a) Number of Equity Shares at the Beginning of the year	1,31,39,283	1,31,39,283
(b) Number of Equity Shares at the End of the year	1,38,58,493	1,31,39,283
(c) Weighted average number of Equity Shares Outstanding During the year (On annualized basis)	1,41,21,357	1,31,39,283
ii. Net Profit after tax available for Equity Shareholders (Rs. In Lakhs)	3938.95	3309.88
iii. Basic earnings per share (In Rs) (annualized)	29.57	25.19
iv. Diluted earnings per share (In Rs) (annualized)	27.89	25.19

10. Related Party Disclosures

I List of Parties where control exists, irrespective of transactions

Subsidiary Companies

- | | |
|---|---|
| i Omnitech Technologies Inc., USA | iii Europe Omnitech Technologies Services B.V., Netherlands |
| ii Omnitech Services Pte. Ltd., Singapore | |

Key Management Personnel

- | | |
|--|--|
| i Mr. Atul Hemani – Managing Director | iii Mr. Devarshi Buch – Executive Director |
| ii Mr. Avinash Pitale – Executive Director | |

Relatives of Key Management Personnel

- | | | |
|-------------------------|---------------------------|---------------------------|
| i Mrs. Amisha A. Hemani | vi Mr. Chandrakant Pitale | xi Mr. Nitish Pitale |
| ii Mrs. Vanita Hemani | vii Mr. Amit Buch | xii Mrs. Shubhangi Pitale |
| iii Mr. Nirav Hemani | viii Ms. Juhi Buch | xiii Mrs. Beejal D. Buch |
| iv Ms. Vidhi Hemani | ix Mr. Maganlal Hemani | xiv Mr. Dushyant Buch |
| v Mr. Bharat Hemani | x Ms. Sheetal Pitale | xv Mrs. Jayshree Buch |

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

- | | | |
|--|-----------------------|-------------------------------------|
| i Omnitech Technologies Limited, India | iii Atul Hemani HUF | v Omnitech Employees' Welfare Trust |
| ii Wintel Computers Private Limited | iv Avinash Pitale HUF | |

(b) Following are the transactions entered into with the related parties:

Sr. No.	Description of Transaction	Subsidiary Companies		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
		Year ended 31 st March 2010	Year ended 31 st March 2009	Year ended 31 st March 2010	Year ended 31 st March 2009	Year ended 31 st March 2010	Year ended 31 st March 2009	Year ended 31 st March 2010	Year ended 31 st March 2009
1	Remuneration:								
	Mr. Atul Hemani	-	-	24.06	27.86	-	-	-	-
	Mr. Avinash Pitale	-	-	22.50	26.86	-	-	-	-
	Mr. Devarshi Buch	-	-	42.52	28.06	-	-	-	-
2	Sitting Fees*:								
	Mr. Maganlal Hemani	-	-	-	-	0.35	0.20	-	-
3	Dividend Paid:								
	Mr. Atul Hemani	-	-	21.99	21.76	-	-	-	-
	Mr. Avinash Pitale	-	-	16.72	16.54	-	-	-	-
	Mr. Devarshi Buch	-	-	2.88	2.88	-	-	-	-
	Mrs. Amisha A. Hemani	-	-	-	-	11.95	11.85	-	-
	Mrs. Vanita Hemani	-	-	-	-	0.30	0.30	-	-
	Mr. Nirav Hemani	-	-	-	-	0.91	0.91	-	-
	Ms. Vidhi Hemani	-	-	-	-	0.91	0.91	-	-
	Mr. Bharat Hemani	-	-	-	-	0.01	0.01	-	-
	Mr. Maganlal Hemani	-	-	-	-	0.12	0.12	-	-
	Ms. Sheetal Pitale	-	-	-	-	0.91	0.91	-	-
	Mr. Nitish Pitale	-	-	-	-	0.91	0.91	-	-
	Mrs. Shubhangi Pitale	-	-	-	-	17.42	17.27	-	-
	M/s. Atul Hemani HUF	-	-	-	-	-	-	0.95	0.91
	M/s. Avinash Pitale HUF	-	-	-	-	-	-	0.91	0.91
	M/s. Wintel Computers Private Limited	-	-	-	-	-	-	9.20	9.20
	M/s. Omnitech Employees' Welfare Trust	-	-	-	-	-	-	1.80	1.80

(b) Following are the transactions entered into with the related parties:

(Rs. in Lakhs)

Sr. No.	Description of Transaction	Subsidiary Companies		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
		Year ended 31 st March 2010	Year ended 31 st March 2009	Year ended 31 st March 2010	Year ended 31 st March 2009	Year ended 31 st March 2010	Year ended 31 st March 2009	Year ended 31 st March 2010	Year ended 31 st March 2009
4	Issue of Convertible Warrants**:								
	Mr. Atul Hemani	-	-	35.24	16.55	-	-	-	-
	Mr. Avinash Pitale	-	-	35.24	16.55	-	-	-	-
	Mr. Devarshi Buch	-	-	35.24	16.55	-	-	-	-
	M/s. Wintel Computers Private Limited	-	-	-	-	-	-	-	132.41
	M/s. Omnitech Technologies Limited	-	-	-	-	-	-	153.24	-
5	Conversion of Convertible Warrants***								
	Mr. Atul Hemani	-	-	74.48	-	-	-	-	-
	Mr. Avinash Pitale	-	-	74.48	-	-	-	-	-
	M/s. Wintel Computers Private Limited	-	-	-	-	-	-	810.65	-
6	Investment:								
	Omnitech Technologies Inc., USA	-	0.55	-	-	-	-	-	-
	Omnitech Services Pte. Ltd., Singapore	171.64	-	-	-	-	-	-	-
	Europe Omnitech Technologies Services B.V. Netherlands	66.52	-	-	-	-	-	-	-
7	Recoverable Expenses								
	Europe Omnitech Technologies Services B.V., Netherlands	34.46	-	-	-	-	-	-	-

* This excludes the sitting fees paid to Independent Directors as per Accounting Standard Interpretation 21 issued by the Institute of Chartered Accountants of India.

** This reflects 10% (year ended 31st March, 2009) or 25% (year ended 31st March, 2010) of exercise price received from the related parties at the time of issue of warrants in accordance with the relevant SEBI Guidelines/Regulations.

*** This reflects 90% of exercise price received from the related parties at the time of conversion of warrants in accordance with the relevant SEBI Guidelines.

11. Disclosure of loans /advances and investments in its own shares in terms of Clause 32 of Listing Agreement with Stock Exchanges

(Rs. in Lakhs)

Sr. No.	Particulars	Name of the Parent/Associate /Subsidiary Company	Amount Outstanding as on 31.03.2010	Maximum amount due at any one time during the year
1	Loan and Advances in the nature of loans to Subsidiaries	-	Nil	Nil
2	Loan and Advances in the nature of loans to Associates	-	Nil	Nil
3	Loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years	-	Nil	Nil
4	Loans and advances in the nature of loans where there is no interest or interest below section 372A of Companies Act, 1956	-	Nil	Nil
5	loans and advances in the nature of loans to firms /companies in which directors are interested	-	Nil	Nil

Note: Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan - N.A

12. Status of Deployment of Funds raised in IPO

The status of deployment of funds raised by the Company in IPO as on 31st March, 2010 is as under:

Sr. No.	Particulars	(Rs. in Lacs)
A	Fund Received	3500.00
B	Utilization of Fund	
	(i) Issue related expenses	405.60
	(ii) Strategic Investments	959.88
	(iii) Enhancement of Existing Facilities and setting up new centers / offices	2134.52
	Total Utilization	3500.00
	Balance of unutilized funds out of IPO lying in liquid funds / escrow a/c	Nil

13. Remittance of Dividend in Foreign Currency

During the year, the Company has not remitted any amount in foreign currencies on account of dividends and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends payable to non-resident shareholders which were declared during the year are as under:

Sr. No.	Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1	Number of non-resident Shareholders	118	112
2	Number of Equity Shares held by them	71663	52890
3	Gross amount of dividends (Rs. In lacs)	0.86	0.63
4	Year to which the Dividend relates	2008-09	2007-08

14. Retirement Benefits

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India. The said scheme is a defined benefit scheme. The present obligation is based upon actuarial valuation using the projected unit credit method. The summary of computation of present obligation, actuarial gain/loss etc. is as under:

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
I Reconciliation of Opening and Closing Balances of Defined Benefit Obligation		
Present value of obligations as at beginning of year	27.46	21.03
Interest cost	2.20	1.68
Current Service Cost	8.36	8.36
Benefits Paid	(0.47)	0
Actuarial (gain)/Loss on obligations	19.02	(3.62)
Present value of obligations as at end of year	56.57	27.46

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
2 Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets		
Fair value of plan assets at beginning of year	0.56	0
Expected return on plan assets	0.43	0
Contributions	13.29	0.56
Benefits paid	(0.47)	0
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	13.82	0.56
3 Fair value of plan assets		
Fair value of plan assets at beginning of year	0.56	0
Actual return on plan assets	0.43	0
Contributions	13.29	0.56
Benefits Paid	(0.47)	0
Fair value of plan assets at the end of year	13.82	0.56
Funded status	(42.75)	(26.90)
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31 st March)		
4 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	(19.02)	3.62
Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
Total (gain)/Loss for the year	19.02	(3.62)
Actuarial (gain)/Loss recognized in the year	19.02	(3.62)
5 The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss		
Present value of obligations as at the end of year	56.57	27.46
Fair value of plan assets as at the end of the year	13.82	0.56
Funded status	(42.75)	(26.90)
Amount recognized in balance sheet	42.75	26.90
6 Expenses Recognised in statement of Profit & Loss		
Current Service cost	8.36	8.36
Interest Cost	2.20	1.68
Expected return on plan assets	(0.43)	0
Net Actuarial (gain)/Loss recognised in the year	19.02	(3.62)
Expenses recognised in statement of Profit & Loss	29.14	6.43
7 Assumptions		
Discount Rate	8%	8%
Salary Escalation	3%	3%

15. Equity Share Warrants

- (a) During the Financial year ended on 31st March, 2010, the Company allotted 8,62,000 warrants convertible into one Equity Share for each warrant to the following persons including some of the Promoters at a price of Rs. 122.59 each in accordance with the SEBI (ICDR) Regulations and other applicable laws and Special Resolution passed by Shareholders at their Extra-Ordinary General Meeting held on 2nd November, 2009:

Sr. No.	Name of Allottee	Nos of Warrants
1	Omnitech Technologies Limited	500000
2	Atul Hemani	115000
3	Avinash Pitale	115000
4	Devarshi Buch	115000
5	Nikul Shah	15000
6	V. V. Kamath	2000
Total		8,62,000

Till 31st March, 2010, none of the warrant holders have exercised their right to convert the above mentioned warrants into Equity Shares.

- (b) During the Financial Year ended on 31st March, 2010, out of 13,25,000 warrants allotted by the Company on 4th July, 2008, 7,19,210 warrants were converted into equity shares by the Company and consequentially 90% of the total price due on the conversion was duly paid to the Company by the warrant holders. Against the said conversion of warrants, 277794 equity shares and 441416 equity shares were allotted on 22nd December, 2009 and 4th January, 2010 respectively. Listing application for 277794 and 441416 Equity shares is pending with Stock Exchanges for approval as on 31st March, 2010.

Balance 605790 warrants were lapsed due to non-exercise of the options and 10% of exercise price paid on the same was forfeited by the Company.

- (c) The money received on account of issue/conversion of warrants has been fully utilized by the Company towards expansion of technology centres as on 31st March, 2010.

16. Sale of Investment made in Omnitech TSB Co. Ltd.

During the Financial Year ended on 31st March, 2010, the Company sold its investment in Omnitech TSB Co. Ltd. This was due to lack of required profitability in business in the region.

17. Derivative Instruments

The Company uses Forward Contracts to hedge against its Foreign Exchange Exposure. The Company does not enter into any derivative instruments for Trading or Speculative purposes. As on 31st March, 2010, there are no outstanding Forward Contracts.

18. Segmental Reporting

The Company is mainly engaged in the business of Information Technology and Information Technology enabled services. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz. Information Technology.

The Company operates in Local and Export geographically of which export sales have amounted to Rs. 4671.05 lacs. But due to nature of business, the assets/liabilities and expenses thereof cannot be bifurcated separately.

19. Investment in Mutual Funds

During the year the Company invested the surplus funds for short periods in the following Liquid/Cash Mutual Fund Schemes:

Particulars	Balance as on 1 st April, 2009 No. of Units	Purchased/Reinvested during the year No. of Units	Sold/redeemed during the year No. of Units	Balance as on 31 st March, 2010 No. of Units
Tarus Liquid Fund Growth Plan	-	298192.10	298192.10	-
Tarus Ultra Short Term Bond Plan Growth Plan	-	339620.44	339620.44	-
Fortis Overnight Institutional Growth Plan	-	1018693.02	1018693.02	-
Birla Sunlife Income Plus Qly Dividend	637187.96	-	637187.96	-
Birla Sunlife Dynamic Bond Fund - Retail	-	501878.89	501878.89	-
Birla Sunlife Income Fund 54EA Dividend Payout	-	343423.10	343423.10	-
Birla Sunlife Saving Fund – Retail	-	125511.68	125511.68	-
Birla Sunlife Income Plus Growth Fund	51097.18	-	51097.18	-
UTI Bond Fund - Growth Plan- Regular	890561.66	-	890561.66	-
UTI Treasury Advantage Fund - Institutional Plan	-	14841.77	14841.77	-
Principal - FRF SMP Reg Option (G)	-	543896.04	543896.04	-
Principal - Ultra STF Ret (G)	-	661154.27	661154.27	-
- Reliance Liquid Fund - Treasury Plan	-	-	-	-
- Institutional Plan - Growth Options	-	1961313.15	1961313.15	-
Reliance Income Fund Retail Plan	-	-	-	-
- Quarterly Dividend	2113583.73	-	2113583.73	-
Reliance Income Fund Retail Plan	-	-	-	-
- Monthly Dividend Plan	1425497.41	-	1425497.41	-
LICMF Saving Plus Fund	-	2296439.62	2296439.62	-
ICICI Prudential Income Short term plan	-	538917.96	538917.96	-
ICICI Prudential Flexible Income Plan	-	545493.43	545493.43	-
ICICI Prudential Institutional Income Plan	4064962.72	17897.56	4082860.27	-
Bharti AXA Treasury Advantage Plan -Daily Dividend	-	2500.00	2500.00	-
DSP Black Rock Bond Fund - Growth Fund	335739.47	-	335739.47	-
DSP Black Rock Floating Rate Fund	304431.25	712656.46	1017087.71	-
HDFC Cash Management Fund	-	-	-	-
- Treasury Advantage Plan - Retail	-	260904.50	260904.50	-
Total	9823061.37	10183334.01	20006395.38	-

20. During the year, the Company wrote back the investment made by it in FCDs issued by Lloyds Finance Ltd. The said investment was written off by the Company during the Financial Year 2008-09.

21. Accounting for Employees Stock Option

During the Financial Year ended on 31st March, 2010, the Compensation Committee granted 211857 stock options to the employees at market value under Omnitech Stock Options Scheme, 2009. The Company has followed Intrinsic Value method for the purpose of accounting the Employees Compensation Cost. Since the Stock Options have been granted at market value, Employees Compensation Cost is nil. The other relevant details are as under:

Summary :

Particulars	
Options granted during the year	211857
Options lapsed during the year	1400
Options granted net of options lapsed	210457
Options outstanding at the end of the year	210457
Net profits as reported after exceptional items	393895435
Add: Employee stock compensation cost included in above based on intrinsic cost	0
Less: Employee stock compensation cost based on Fair valuation of options	2361555
Net profit adjusted	391533880
Weighted average number of shares considered for basic earning per share	13321017
Weighted average number of shares considered for diluted earnings per share	14121357
Basic earnings per share as reported (Rupees)	29.57
Diluted earnings per share as reported (Rupees)	27.89
Basic earnings per share (adjusted for fair valuation of options) as reported (Rupees)	29.39
Diluted earnings per share (adjusted for fair valuation of options) as reported (Rupees)	27.73

Calculation of EPS, diluted EPS and impact on EPS based on fair value method

Date of Grant	6 th October 2009
No of days in 2009-10 after grant	177
Options granted	211857
Options surrendered/lapsed	1400
Net options granted	210457
No of shares which may arise out of options	210457
Weighted average no of such shares for 2009-10	102057
Weighted Average	13321017
Diluted no of shares for the year 2009-10	14121357
PAT for the year	393895435
EPS for the year	29.57
Diluted EPS for the year	27.89
Market price of share on date of grant	123.20
Exercise price	123.20
Intrinsic value of option	0.00
Weighted average of fair value of option	81.02
Excess of fair value over intrinsic value of option	81.02
Impact on profit if fair option method is used instead of intrinsic value	
No of net options	210457
Excess value per option	81.02
Aggregate of excess value	17051226
Vesting period = 3 & half years = days	1278
Excess value per date over vesting period	13342
Excess value for the year 2009-10	2361555
EPS would have been lower in case of fair value method	0.18
Weighted average EPS would have been lower in case of fair value method	0.17

For M/s. Shah Jadavji & Co.
Chartered Accountants

For and on Behalf of Board of Directors

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Place : Thane
Date : 18.05.2010

Balance Sheet Abstract and Company's General Business Profile

1 Registration Details

Registration No.	:	L30007MH1990PLC055256	State	:	II
Balance Sheet Date	:	31-03-2010			

2 Capital Raised During the Year (Rs.in Lacs)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

3 Portion of Mobilisation & Deployment of Funds (Rs. in Lacs)

Total Liabilities:	:	22665.82	Total Assets	:	22665.82
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Sources of Funds

Paid-up Capital	:	1385.85	Reserves and Surplus	:	15720.08
Secured Loan	:	4391.52	Unsecured Loan	:	NIL
Equity Share Warrants	:	266.02	Deferred Tax Liability	:	902.35

Application of Funds

Net Fixed Assets	:	12250.21	Investment	:	258.53
Net Current Assets	:	8771.11	Misc. Expenditure	:	NIL
Capital WIP	:	1385.97	Accumulated Losses	:	NIL

4 Performance of Company (Rs. in Lacs)

Turnover/Income from Operations	:	21649.66	Total Expenditure	:	15180.77
Profit/(Loss) Before Tax	:	5028.80	Profit/(Loss) After Tax	:	3938.95
Earning Per Share (Basic)	:	29.57	Dividend Rate	:	15%
Earning Per Share (Diluted)	:	27.89			

5 Generic Names of Three Principal Products of Company (As per monetary terms)

Item Code No	:	N.A.
Product Description	:	N.A.

For M/s. Shah Jadavji & Co.
Chartered Accountants

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Place : Thane
Date : 18.05.2010

For and on Behalf of Board of Directors

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956 AS ON 31ST MARCH, 2010

(Rs. in Lakhs)

Sl. No	Name of the Subsidiary	a) No of equity shares at the end of the financial year of the Subsidiary		b) Extent of Holding		Net Aggregate Profit/ (loss) of the subsidiary so far as it concerns the Members of the Company			
						Not dealt with in the Accounts of the Company		Dealt with in the Accounts of the Company	
		Omnitech Infosolutions Ltd	Others	Omnitech Infosolutions Ltd	Others	(i) For Subsidiary's Financial Year ended 31.03.2010	(ii) For previous Financial years of Subsidiary since it became a subsidiary	(i) For Subsidiary's Financial Year ended 31.03.2010	(ii) For previous Financial years of Subsidiary since it became a subsidiary
1	Omnitech Technologies Inc. USA	31300	-	100%	-	-	-	(1.31)	-
2	Omnitech Services Pte. Ltd., Singapore	367233	300463	55.00%	45.00%	-	-	(53.83)	-
3	Europe Omnitech Technology Services B.V., Netherlands	180	-	100%	-	-	-	(75.11)	-

Auditors' Report

To the Members of

OMNITECH INFOSOLUTIONS LIMITED

Omnitech House, A/13, Cross Road, No 5,
Kondivita Road, Marol, M.I.D.C., Andheri (East),
Mumbai – 400093

1. We have examined the attached Consolidated Balance Sheet of OMNITECH INFOSOLUTIONS LTD (the Company) and its subsidiaries Omnitech Services PTE Ltd. (Joint Venture), Omnitech Technologies Inc, Europe Omnitech Technology Services B.V. as at 31st March, 2010, and the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material respects, in accordance with the financial reporting framework generally accepted in India and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of separate Audited Financial statements of the Company and unaudited figures of its subsidiaries included in the Consolidated Financial Statements.
4. On the basis of information and explanation given to us, and on consideration of the separate audit reports on individual audited financial statements of the company and unaudited figures of its subsidiaries and Joint Venture in our opinion that the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2010 ;
 - b. In case of the Consolidated Profit & Loss Account ,of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date ; and
 - c. In case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For SHAH JADAVJI & CO.
[Chartered Accountants]

Sd/-
Navin R. Gala
Partner

Membership No. 40640
Firm Reg. No. 109620W

Place : Thane
Date : 18.05.2010

Subsidiaries' Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	Omnitech Services PTE Ltd	Omnitech Technologies Inc	Europe Omnitech Technology Services B.V.
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	209.80	16.20	10.90
Reserves & Surplus	(97.92)	(18.71)	(24.84)
Foreign Currency translation reserve	1.75	1.12	3.98
LOAN FUNDS			
Secured Funds	-	-	-
Unsecured Funds	-	1.36	-
Total	113.64	(0.04)	(9.97)
APPLICATION OF FUNDS			
Fixed Assets	1.12	-	0.95
Less : Depreciation	1.12	-	-
Net Block	-	-	0.95
Less : Impairment of Assets	-	-	-
	-	-	0.95
Capital Work in Progress	-	-	-
Investments	-	-	-
CURRENT ASSETS, LOANS AND ADVANCES			
Receivables	150.60	-	6.36
Cash & Bank Balance	30.90	0.36	15.45
Inventories	-	-	-
Loans & Advances	2.64	-	-
Sub Total	184.13	0.36	21.81
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	53.39	0.39	13.01
Provisions	17.11	-	19.71
Sub Total	70.49	0.39	32.73
Net Current Assets	113.64	(0.04)	(10.92)
Total	113.64	(0.04)	(9.97)

Subsidiaries' Profit & Loss Account for the year ended 31st March 2010

(Rs. in Lakhs)

	Omnitech Services PTE Ltd	Omnitech Technologies Inc	Europe Omnitech Technology Services B.V.
INCOME			
Income From Operations	203.79	-	-
Other Income	0.24	0.00	0.01
Profit/ (Loss) on Sale of Fixed Asset	0.00	0.00	0.00
Total Income	204.03	0.00	0.01
EXPENDITURE			
Materials Consumed & Other Direct Expenses	0.00	0.00	0.00
Staff Cost	246.21	0.00	55.30
Administrative & Other Expenses	51.94	0.64	19.65
Selling & Distribution Expenses	2.40	0.63	0.00
Financial Expenses	0.22	0.05	0.17
Miscellaneous Expenses Written Off	0.00	0.00	0.00
Total Expenditure	300.77	1.32	75.12
Net Profit Before Depreciation & Tax	(96.74)	(1.32)	(75.11)
Less : Depreciation	1.14	0.00	0.00
Net Profit Before Tax	(97.88)	(1.32)	(75.11)
Less : Provision for Taxation - Current year	0.00	0.00	0.00
Less: Provision For Deferred Tax	0.00	0.00	0.00
Net Profit after Tax	(97.88)	(1.32)	(75.11)
Less : Proposed Dividend	0.00	0.00	0.00
Less : Dividend Tax	0.00	0.00	0.00
Less : Transfer To General Reserves	0.00	0.00	0.00
Balance Carried forward to Balance Sheet	(97.88)	(1.32)	(75.11)

Consolidated Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	Sch. No.	As at 31 st March 2010	As at 31 st March 2009
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	1,385.85	1,313.93
Minority Interest		1.94	13.94
Reserves & Surplus	2	15,572.41	10,786.01
Currency Translation Reserve		-	5.25
Equity Share Warrants	3	266.02	219.30
Deferred Tax Liability		902.35	658.86
Loan Funds			
Secured Loans	4	4,391.52	3,322.59
Unsecured Loan	5	1.36	18.86
		22,521.45	16,338.74
APPLICATION OF FUNDS			
Fixed Assets			
Less : Depreciation	6	15,324.58	8,795.85
Net Block		3,067.33	2,007.30
Less : Impairment of Assets		12,257.26	6,788.55
		6.10	6.10
		12,251.16	6,782.45
Capital Work in Process		1,385.97	793.49
Investments			
	7	7.43	1,374.90
Foreign Currency translation reserve			
		3.09	-
Current Assets, Loans and Advances			
Receivables	8	5,296.15	5,887.06
Cash & Bank Balance including Fixed Deposits	9	432.84	291.37
Inventories	10	2,871.13	1,400.06
Loans and Advances	11	3,555.22	1,664.45
Sub Total		12,155.34	9,242.94
Current Liabilities and Provisions			
Current Liabilities	12	933.30	530.84
Provisions	13	2,348.23	1,330.22
Sub Total		3,281.53	1,861.06
Net Current Assets			
		8,873.80	7,381.88
Miscellaneous Expenditure (to the extent written off)			
Preliminary Expenses		-	6.02
		22,521.45	16,338.74
Significant Accounting Policies & Notes on Accounts	20		

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

As per our Report of even date

For M/s. Shah Jadavji & Co.
Chartered Accountants

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

For and on Behalf of Board of Directors

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Place : Thane
Date : 18.05.2010

Consolidated Profit & Loss Account for the year ended 31st March 2010

(Rs. in Lakhs)

	Sch. No.	Year ended 31 st March 2010	Year ended 31 st March 2009
INCOME			
Income from Operations		21,853.45	17,173.09
Other Income	14	105.55	218.52
(Loss) / Profit on Sale of Fixed Assets		20.49	-
Total Income		21,979.49	17,391.62
EXPENDITURE			
Materials Consumed and Other Direct Expenses	15	12,250.73	9,782.76
Staff Cost	16	1,624.64	1,006.30
Administrative and Other Expenses	17	910.27	950.99
Selling and Distribution Expenses	18	303.44	307.17
Financial Expenses	19	462.89	379.13
Miscellaneous Expenditure Written Off		6.02	7.93
Total Expenditure		15,557.97	12,434.28
Net Profit before Depreciation and Tax		6,421.52	4,958.09
Less : Depreciation		1,567.03	795.01
Net Profit before Tax		4,854.49	4,163.08
Less : Provision for Taxation - Current Year		846.35	473.23
Less : Provision for Fringe Benefit Tax		-	17.35
Less : Provision for Deferred Tax		243.50	377.43
Net Profit after Tax before Minority Interest		3,764.65	3,295.07
Less : Minority Interest		(44.04)	(4.31)
Net Profit after Tax after Minority Interest		3,808.70	3,299.39
Less : Proposed Dividend		207.88	157.67
Less : Dividend Tax		35.33	26.80
Less : Transfer to General Reserves		200.89	85.00
Balance carried forward to Balance Sheet		3,364.60	3,029.92
Significant Accounting Policies & Notes on Accounts	20		

The Schedules referred to above and the notes thereon form an integral part of the Profit & Loss Account.

As per our Report of even date

For M/s. Shah Jadavji & Co.
Chartered Accountants

For and on Behalf of Board of Directors

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Place : Thane
Date : 18.05.2010

Consolidated Cash Flow Statement for the year ended 31st March 2010

(Rs. in Lakhs)

	Year ended 31 st March 2010	Year ended 31 st March 2009
(A) Cash flow from operating activities		
Net profit before tax & extra ordinary items & prior period items	4,854.49	4,163.08
Adjustment for:		
Profit on sale of fixed assets	-20.49	0
Dividend income	-18.43	-163.24
Share of Minority Interest	44.04	-2.78
Discount	-21.82	0
Unrealised Foreign Exchange Gain/loss	-6.54	-521.90
Investment written back	-3.81	0
Interest Income	-10.80	-33.80
Capital gain	-53.56	0
	4,763.08	3,441.36
Miscellaneous expenses written off	6.02	7.93
Acquisition Expenses	0.00	39.54
Depreciation	1,567.03	795.01
Provision for Impairment of Assets	0.00	6.10
Provision for Slow Moving Items	0.00	8.47
Bad Debts	59.53	75.71
Financial expenses	462.89	379.13
Provision for diminuation in value of assets	0.00	99.85
	2,095.46	1,411.74
Operating profits before working capital changes	6,858.54	4,853.10
Changes in working capital		
(Increase)/Decrease in Receivables	552.98	-2,336.37
(Increase)/Decrease in Other Current Assets	-1,488.36	-851.59
(Increase)/Decrease in Loans and Advances	-1,346.41	-1,030.17
Increase/(Decrease) in Trade & Other Payable	414.29	-166.27
Increase/(Decrease) in Provision for Expenses	129.00	693.26
Taxes Paid(T.D.S)	-557.19	-163.11
	-2,295.68	-3,854.25
Cash flow from operating activities	4,562.86	998.85
TOTAL [A]		

Consolidated Cash Flow Statement for the year ended 31st March 2010

(Rs. in Lakhs)

	Year ended 31 st March 2010	Year ended 31 st March 2009
B) Cash flow from investing activities		
Purchase of fixed assets (net of sales)	-7,042.36	-2,629.58
Dividend received	18.43	163.24
Interest Income	10.80	33.80
Proceeds from sale of investments (net of purchases)	1,441.14	835.96
Capital work in progress	-592.48	-793.49
Net cash used in investment activities	-6,164.47	-2,390.07
C) Cash flow from financing activities		
(Repayment of loan)/proceeds from borrowing (net)	1,068.92	1,486.32
Financial expenses	-462.89	-379.13
Dividend paid	-157.42	-157.67
Dividend Tax paid	-26.80	-26.80
Issue of share warrants	146.98	219.30
Increase in share capital and share premium	1,190.36	0
Proceeds from Minority	1.17	0
Net cash used in financing activities	1,760.34	1,142.02
Net changes in cash or cash equivalents	(A+B+C)	-249.20
Cash & Cash equivalents at the beginning of the year	157.71	406.91
Cash & Cash equivalents at the end of the year	316.45	157.71

For M/s. Shah Jadavji & Co.
Chartered Accountants

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Place : Thane
Date : 18.05.2010

For and on Behalf of Board of Directors

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Schedules Forming Part of Consolidated Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
I SHARE CAPITAL		
Authorised Share Capital		
20000000 (20000000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
Issued , Subscribed and Paid up Share Capital		
13858493 (13139283) Equity Shares of Rs. 10/- each, fully paid up.	1,385.85	1,313.93
(a) Of the above 3024820 (3024820) Equity Shares of Rs. 10/- each have been issued as fully paid up bonus shares by capitalisation of free reserves		
(b) Of the above 400000 (400000) equity shares of Rs.10/- each issued at a premium of Rs.90/- per share on preferential basis.		
(c) Of the above 3333333 (3333333) equity shares of Rs. 10/- each issued at a premium of Rs.95/- per share In IPO.		
(d) Of the above 719210 (Nil) equity shares of Rs. 10/- each issued at a premium of Rs. 155.51 per share pursuant to conversion of Share Warrants		
	1,385.85	1,313.93
2 RESERVES AND SURPLUS		
Share Premium		
Amount Brought Forward	3,504.47	3,504.47
Add: Additions During the Period	1,118.44	-
	4,622.92	3,504.47
Less: Utilised for issue of fully paid bonus shares	-	-
	4,622.92	3,504.47
Less : Utilised for writing off Issue Expenses	-	-
	4,622.92	3,504.47
General Reserve		
Amount Brought Forward	150.55	65.55
Add: Additions During the Period	200.89	85.00
	351.43	150.55
Less: Utilised for issue of Fully Paid Bonus shares	-	-
	351.43	150.55
Profit and Loss Account		
Amount brought forward	7,130.99	4,101.07
Transferred from Profit and Loss A/c	3,364.60	3,029.92
	10,495.59	7,130.99
Less: Utilised for issue of fully paid bonus shares	-	-
Less: Provision for Gratuity	-	-
Less: Provision for Leave Encashment	-	-
	10,495.59	7,130.99
Capital Reserve		
Amount forfeited due to lapse of Share Warrants	100.26	-
	15,572.41	10,786.01
3. EQUITY SHARE WARRANTS		
Upfront Consideration at, 8,62,000 (13,25,000) Equity Warrants of Rs.10 each to be converted into one Equity Share at a premium of Rs. 112.59 (Rs.155.51) in exercise of Warrant Holders on or before 22 nd June, 2010 (4 th January, 2010)	264.18	219.30
Remaining Consideration at, 2000 (Nil) Equity Warrants out of 8,62,000 Equity Warrants pending conversion	1.84	-
	266.02	219.30

Schedules Forming Part of Consolidated Balance Sheet as at 31st March 2010

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
4 SECURED LOANS		
(a) From Axis Bank Ltd.:		
Term Loan	35.02	125.49
(Secured against first charge on movable assets, current assets, mortgage of immovable properties of the company and personal guarantee of some of the Directors) [Amount due within one year is Rs. 3501706/- (Rs. 9047654/-)]		
Working Capital Demand Loan	-	-
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
Cash Credit	-	1,230.75
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
Letter of Credit	-	497.42
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
(b) From Kotak Mahindra Bank Ltd.:		
Vehicle Loan	-	-
(Secured against hypothecation of Vehicle) [(Amount due within one year is Nil (Rs. 52180)]		
Working Capital Demand Loan	300.00	251.06
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
Term Loan	847.65	798.50
(Secured against first pari passu charge on movable assets, second pari passu charge on current assets, mortgage of immovable properties of the company by second pari passu charge) [Amount due within one year is Rs. 35075270/- (Nil)]		
(c) From Standard Chartered Bank Ltd.:		
Cash Credit	404.75	417.88
(Secured against hypothecation of stocks and book debts of the company)		
Packing Credit in Foreign Currency	724.60	1.48
(Secured against hypothecation of stocks and book debts of the company)		
(d) From Hongkong and Shanghai Banking Corporation Ltd.:		
Packing Credit in Foreign Currency	-	-
(Secured against hypothecation of entire current assets, stocks and book debts of the company)		
(e) From ICICI Bank Ltd.:		
Car Loan	9.98	-
(Secured against hypothecation of Cars) [Amount due within one year is Rs. 191584/- (148198/-)]		
(f) From HDFC Bank:		
(Secured against hypothecation of Cars)	5.41	-
[Amount due within one year is Rs. 244482/- (NIL)]		
(g) From IDBI Bank Ltd.:		
Cash Credit	1,309.08	-
(Secured against first pari passu charge on movable assets, first pari passu charge on current assets, mortgage of immovable properties of the company by second pari passu charge)		
Letter of Credit	755.02	-
(Secured against first pari passu charge on movable assets, first pari passu charge on current assets, mortgage of immovable properties of the company by second pari passu charge)		
	4,391.52	3,322.59
5. Unsecured Loans		
Unsecured Loan	1.36	18.86
	1.36	18.86

Schedules Forming Part of Consolidated Balance Sheet as at 31st March 2010 (Contd.)

6. Fixed Assets

(Rs. in Lakhs)										
Sr. No.	Descriptions of Fixed Assets	Gross Block			Depreciation			Net Block		Rate of Dep.
		Opening Bal. as on 01.04.2009	Additions	Deletion	Total	As at 31.03.2009	For the Year	On Deductions	As at 31.03.2010	As at 31.03.2009
1.	Business Acquisition	45.50	-	-	45.50	45.50	-	-	-	-
2.	Office Building	265.32	-	-	265.32	14.92	4.32	-	246.07	250.40
3.	Land at MIDC	133.34	-	-	133.34	12.31	2.05	-	118.98	121.03
4.	Land at Pune	283.61	-	-	283.61	5.73	2.86	-	275.01	277.88
5.	Software and Software pro	36.06	-	-	36.06	21.64	7.21	-	7.21	14.42
6.	Computer Systems	7393.88	7457.58	1004.26	13847.19	1787.05	1509.65	507.01	11057.50	5606.83
7.	Furniture & Fixture	571.85	41.91	-	613.76	90.93	36.08	-	486.76	480.93
8.	Office Equipments	37.78	2.38	-	40.15	12.75	1.55	-	25.84	25.02
9.	Car	28.51	23.91	-	52.42	16.48	3.30	-	32.64	12.03
10.	Capital Expenditure	-	7.23	-	7.23	-	-	-	7.23	-
	Total	8795.85	7533.00	1004.26	15324.58	2007.30	1567.03	507.01	12257.26	6788.55
	Previous Year	5169.51	2626.33	-	8795.85	1212.29	795.01	-	-	-

Schedules Forming Part of Consolidated Balance Sheet as at 31st March 2010 (Contd.)

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
7 INVESTMENTS		
Short Term Investments		
(Trade - Quoted)		
Birla Sunlife Income Plus Growth Fund NIL (51,097.18) units of Rs. 39.1411/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 2,023,928.64/-)	-	20.00
Birla Sunlife Income Plus Quarterly Dividend NIL (637187.96) units of Rs. 11.7199/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 7,126,246.3/-)	-	71.26
DSP Blackrock Bond Fund - Growth Fund NIL (335,739.46) units of Rs. 29.785/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 9,749,907.78/-)	-	97.50
DSP Blackrock Floating Rate Fund NIL (304,431.245) units of Rs. 14.1247/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 4,307,001.925/-)	-	43.00
ICICI Prudential Institutional Income Plan - Quarterly Dividend NIL (870,537.45) units of Rs. 11.9171/- each and NIL (3,194,425.267) units of Rs. 12.487/- each, Market Value as on 31.03.10 is NIL (Previous Year Rs. 46,546,262.78/-)	-	465.46
Reliance Income Fund Quarterly Dividend NIL (2,113,583.73) units of Rs. 14.1983/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 27,459,891.18/-)	-	274.60
Reliance Income Fund Monthly Dividend NIL (1,425,497.41) units of Rs. 11.4871/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 14,558,319.93/-)	-	145.58
UTI Bond Fund Growth NIL (890,561.66) units of Rs. 28.12/- each, Market Value as on 31.03.10 is NIL Previous Year (Rs. 22,373,847.75/-)	-	223.74
[Aggregate amount of Quoted Investments Aggregate Market Value NIL (Previous Year Rs. 134,145,406.29/-)]	-	1,341.14
Long Term Investment		
(Other than traded - Unquoted)		
12709 Shares of Bombay Mercantile Co-op Bank Ltd of Rs. 30/- each fully paid up	3.81	3.81
Investment in FCD/PCD of Lloyds Finance Ltd.	3.62	-
Investment in Subsidiary	-	29.95
[Aggregate amount of unquoted investments Rs. 743,070 (Previous Year Rs. 33,75,817.54/-)]	7.43	33.76
	7.43	1,374.90

Schedules Forming Part of Consolidated Balance Sheet as at 31st March 2010 (Contd.)

(Rs. in Lakhs)

	As at 31 st March 2010	As at 31 st March 2009
8. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months	1,340.73	3,367.52
Other Debtors	3,955.42	2,519.54
	5,296.15	5,887.06
9. CASH AND BANK BALANCES		
Cash-in-hand	16.32	17.53
Balances with Scheduled Banks		
On Current Accounts	300.13	140.17
On Deposit Accounts	116.02	133.30
On Margin Money Accounts	0.37	0.37
	432.83	291.37
10. INVENTORIES		
Finished Goods	2,871.13	1,400.06
(Inventory valued at cost or market value whichever is lower and as certified by the management)		
	2,871.13	1,400.06
11. LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	3,461.43	1,581.20
Deposits	93.79	83.25
	3,555.22	1,664.45
12. CURRENT LIABILITIES		
Sundry Creditors	772.01	236.44
Unpaid Dividend	7.57	7.31
Duties & Taxes	99.33	216.13
Deposits Received	54.39	70.96
	933.30	530.84
13. PROVISIONS		
Provision For Expenses	203.33	143.91
Provision For Gratuity	42.75	8.51
Provision For Leave Encashment	49.12	13.78
Provision For Income Tax	1,776.34	930.00
Provision For FBT	33.47	49.55
Provision For Proposed Dividend	207.88	157.67
Provision For Dividend Tax	35.33	26.80
	2,348.23	1,330.22

Schedules Forming Part of Consolidated Balance Sheet as at 31st March 2010 (Contd.)

(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
14. OTHER INCOME		
Capital Gain	53.56	-
Interest Income	10.80	33.80
Miscellaneous Receipts	22.76	21.49
Dividend from Mutual Funds on short term investments	18.43	163.24
	105.55	218.52
15. MATERIALS CONSUMED AND OTHER DIRECT EXPENSES		
Cost of Sales	11,911.46	9,542.67
Consumable Spares Parts and Stores	111.46	18.89
Transportation	1.71	0.44
Technical Repairs and Service Charges	226.09	220.76
	12,250.73	9,782.76
16. STAFF COST		
Salaries & Bonus	1,500.80	890.45
PF & ESIC Contribution	32.44	27.63
Remuneration to Whole Time Directors	89.09	86.86
Sitting Fees to Non-Executive Directors	2.30	1.35
	1,624.64	1,006.30
17. ADMINISTRATIVE AND OTHER EXPENSES		
Conveyance	12.18	9.07
Rent, Rates and Taxes	144.88	112.49
Communication Cost	69.52	62.83
Legal and Professional Charges	427.08	501.43
Postage & Courier	9.18	4.26
Printing & Stationery	14.45	15.77
Diwali and Pooja Expenses	4.20	3.79
Office Maintenance	17.21	12.37
Electricity Charges	30.81	32.94
Insurance	10.25	2.44
Vehicle Maintenance Expenses	11.61	8.25
Books & Periodicals	0.12	0.14
Statutory Fees	10.06	0.42
License Renewal Fees	-	0.31
Fuel Charges	3.63	3.78
Provision for Impairment of Assets	-	6.10
Provision for Diminution in Value of Assets	-	99.85
Membership & Subscription	5.35	3.57
Office Expenses	47.04	36.55
Packing Expenses	0.83	0.06
Recruitment Expenses	16.30	12.99
Registration Expenses	0.16	0.46
Claim against performance guarantee	-	10.22
Stock Exchange Expenses	0.79	0.75
Donation	23.07	-
Sales Tax paid (Assessment Dues)	27.62	-
Services Tax Expenses	1.08	-
Miscellaneous Expenses	22.84	10.17
	910.27	951.01

Schedules Forming Part of Consolidated Profit & Loss Account for the year ended 31st March 2010 (Contd.)
(Rs. in Lakhs)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
18. SELLING AND DISTRIBUTION EXPENSES		
Transportation Outward	37.40	20.84
Travelling Expenses	88.14	67.57
Advertisement Expenses	12.56	6.51
Acquisition Expenses	-	39.54
Bad Debts	59.53	75.71
Discount	5.64	35.23
Business Promotion Expenses	42.21	24.59
Commission on Sales	4.00	3.06
Rentals Computers	53.77	10.00
Tender Expenses	-	0.08
Value Added Tax Paid / Sales Tax	0.01	17.43
Exhibition & Conference Expenses	0.19	6.61
	303.44	307.17
19. FINANCIAL EXPENSES		
Interest Paid	385.72	273.56
Processing Charges & Other Finance Cost	23.19	30.18
Bank Charges	29.47	42.75
L C Charges	24.51	32.64
	462.89	379.13

Schedule to the Consolidated Profit & Loss Account & Balance Sheet

20. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation of Financial Statements :

- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) – “Consolidated Financial Statements” issued by The Institute of Chartered Accountants of India (ICAI). These financial statements comprise Omnitech Infosolutions Limited (The Company) and its subsidiaries Omnitech Technologies Inc., Omnitech Services Pte. Ltd., and Europe Omnitech Technology Services B.V. The financial statements of each of these companies are prepared using uniform accounting policies in accordance with the generally accepted accounting principles in India.
- The consolidated financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and in compliance with the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies act, 1956 as adopted consistently by the company.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the companies shareholders.
- Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- The preparation of consolidated financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

2. Revenue Recognition :

- i. Revenue from sales in respect of hardware is recognized when they are completed with passing of the title and are exclusive of sales tax, octroi and other incidental expenses.
- ii. Revenue from software development is recognized in accordance with the percentage of completion method and revenue from sale of licenses of software products and other products is recognized on delivery / installation, as the case may be.
- iii. Revenue from IT infrastructure networking, annual service contracts and facilities management services is deferred and recognized ratably over the period of the underlying maintenance agreement.
- iv. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- v. Dividend Income is recognized when the shareholders' right to receive payment is established by the Balance Sheet Date.

3. Expenditure :

Expenses are accounted on accrual basis and the provisions are made for all known losses and liabilities. No provisions are made towards likely expenses on providing post-sales client support for fixed priced contracts as well as in respect of annual technical service contracts in so far as it pertains to the period beyond the current accounting year.

4. Fixed Assets and Depreciation :**i. Fixed Assets**

- a) Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition & installation of the concerned assets less accumulated depreciation and impairment losses, if any,.
- b) Costs that are directly associated with identifiable and unique software products controlled by the Company, whether developed in-house or acquired, and have probable economic benefits exceeding the cost are recognized as product development.
- c) Assets acquired under lease are at cost of acquisition including incidental expenses related to acquisition & installation of such assets.
- d) Advances paid towards acquisition of fixed assets and the cost of assets not ready for use as at the Balance Sheet date are disclosed under capital work-in-progress.

ii. Depreciation /Amortization.

- a) Depreciation on Software and Computer Systems is provided based on Management's estimate of useful life of Software/System however subject to maximum period of 6 years. Depreciation on Fixed Assets other than Land and those mentioned above has been provided on Straight Line Method at the following rates:

Asset Group	Rates (SLM)
Furniture & Fixtures	6.33%
Vehicles	9.50%
Office Equipments	4.75%
Office Premises	1.63%

- b) Product Development Expenses capitalized are amortized over its useful life for a period not exceeding ten years.
- c) Leasehold assets are amortized over the period of lease.
- d) Miscellaneous expenditure is amortized over a period of 5 years from the year in which it has been incurred.

5. Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items of fixed assets carried at cost. The recoverable amount is higher of an assets net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset, from its disposal at the end of its useful life.

6. Inventories:

Inventories have been valued on the following basis:

- | | |
|--|--|
| i). Raw Materials, packing material, stores and spares | - At cost. |
| ii). Work-in-progress | - At cost plus appropriate allocation of overheads. |
| iii). Finished Goods | - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower |

7. Investments :

Investments are classified into current investment and long term investments. Current investments are stated at lower of cost or fair market value. Long Term Investments are stated at cost less provision for permanent diminution in value if any, of investments.

8. Foreign Exchange Transactions :

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss account. Foreign currency assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognized in the Profit and Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of the respective assets.

9. Research & Development :

- i. Revenue expenditure on R&D is charged to profit & loss account in the year in which it is incurred where the Company is not certain of realizing future economic benefits from such activities.
- ii. Capital expenditure on R&D is included under the relevant fixed assets.

10. Borrowing Costs :

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Profit & Loss Account.

11. Deferred tax :

Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty of their realization and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

12. Tax Expense :

Tax Expense includes Indian and International Income Taxes.

13. Earnings per Share (EPS) :

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

14. Provision and Contingent Liabilities

Provisions are recognized and computed in accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India i.e. they are recognized if the following conditions are satisfied:

- i. The Company has a present obligation as a result of past event;
- ii. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. A reliable estimate can be made of the amount of the obligation.

Similarly, the Contingent liabilities are disclosed in Accordance with the Accounting Standard 29 i.e. they are disclosed when the Company has a possible obligation or a present obligation and it is probable that a Cash Outflow will not be required to settle the obligation

15. Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on a straight-line basis over the period of lease.

B. NOTES TO THE ACCOUNTS:

1. The subsidiary companies considered in consolidated financial statements are :

Name	Country of Incorporation	%Holding
Omnitech Technologies Inc.	USA	100 %
Omnitech Services Pte. Ltd.	Singapore	55 %
Europe Omnitech Technology Services B.V.	Netherlands	100%

2. Earnings Per Share

Particulars	Financial Year 31 st March 2010	Financial Year 31 st March 2009
Face Value Per Share (Rs.)	10	10
i. Weighted average number of Equity shares		
(a) Number of Equity Shares at the Beginning of the year	1,31,39,283	1,31,39,283
(b) Number of Equity Shares at the End of the year	1,38,58,493	1,31,39,283
(c) Weighted average number of Equity Shares Outstanding During the year (On annualized basis)	1,41,21,357	1,31,39,283
ii. Net Profit after tax available for Equity Shareholders (Rs. In Lakhs)	3808.69	3299.39
iii. Basic earnings per share (In Rs) (annualized)	28.59	25.11
iv. Diluted earnings per share (In Rs) (annualized)	26.97	25.11

For M/s. Shah Jadavji & Co.
Chartered Accountants

For and on Behalf of Board of Directors

Sd/-
(Navin R. Gala)
Partner
M. No. 40640
Firm Reg. No. 109620W

Sd/-
(Atul Hemani)
Managing Director

Sd/-
(Avinash Pitale)
Executive Director

Sd/-
(Gaurav Sharma)
Company Secretary &
Chief Officer
(Compliance & Legal)

Place : Thane
Date : 18.05.2010

Corporate Information

Mr. Maganlal K. Hemani Non Executive Chairman

Mr. Atul M. Hemani Managing Director

Mr. Avinash C. Pitale Executive Director

Mr. Devarshi D. Buch Executive Director

Dr. Kalimohan J. Bhattacharya Non Executive and Independent Director

Dr. Ram K. Mangal Non Executive and Independent Director

Prof. Venkateshwaran H. Iyer Non Executive and Independent Director

Mr. Vasudeva V. Kamath Non Executive and Independent Director

Company Secretary & Chief Officer (Compliance & Legal)

Mr. Gaurav Sharma

Statutory Auditors

M/s. Shah Jadavji & Co.

Registered/Corporate Office

Omnitech InfoSolutions Limited

Omnitech House

A/13 Cross Road No. 5, Kondivita Road
Marol M.I.D.C., Andheri (E),

Mumbai – 400093

Ph.: 022 – 40956666

Fax: 022 – 40956565

Registrar and Transfer Agent

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound

LBS Road, Bhandup (W),

Mumbai – 400078

Ph.: 022 – 25963838

Fax: 022 – 25962691

The Eagle soars higher, higher than any other bird because it sets its eyes on a far greater and distant horizon. Omnitech is driven by the same vision and foresight. Practicing agility across functions, it is ready to soar higher.



Forward Looking Statement: In the Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.