



**Fox Software Technologies Limited**  
**17th Annual Report**  
**F.Y.: 2010-11**

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**PLEASE NOTE THAT NO GIFTS WHATSOEVER WILL BE DISTRIBUTED TO  
THE SHAREHOLDERS AT THE ANNUAL GENERAL MEETING**

## **FOX SOFTWARE TECHNOLOGIES LIMITED**

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### **BOARD OF DIRECTORS**

Shri Ashok Mehta,	Executive Chairman
Shri Sunil Kala	Independent Non Executive Director
Shri Jogeshwar Sharma	Independent Non Executive Director
Shri Manoj Oberai	Independent Non Executive Director

### **AUDITORS**

Neeraj Madan & Associates  
Chartered Accountants  
C-7, Greater Kailash Enclave-II  
New Delhi-110048

### **BANKERS**

The Federal Bank Limited  
Nehru Place, New Delhi-110019

### **REGISTERED OFFICE**

FOX SOFTWARE TECHNOLOGIES LIMITED  
110, Deepali Building, 92  
Nehru Place, New Delhi-110019

### **STOCK EXCHANGES**

Delhi Stock Exchange Limited  
DSE House, 3/1, Asaf Ali Road  
Delhi-110002

Cochin Stock Exchange Limited  
MES Complex, 4<sup>th</sup> Floor, 36/1565  
Judges Avenues, Kaloor, Kochi-682017

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Ltd.  
Formerly known as Intime Spectrum Registry Limited  
2nd Floor, A-40, Naraina Industrial Area, Phase-II  
Nr. Batra Banquet Hall, New Delhi-110028  
Tel:011-41410592/93/94  
Email: delhi@linkintime.co.in

### **COMPANY IDENTIFICATION NO.**

L74899DL1994PLC059402

<p><b>Annual General Meeting: 30<sup>th</sup> Day of September, 2011</b> <b>Time: 10:00 A.M.</b> <b>Venue: 110, Deepali Building, 92, Nehru Place, New Delhi-110019</b></p>
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**BOOK CLOSURE DATES**  
**(22/09/2011 - 30/09/2011)**

**FOX SOFTWARE TECHNOLOGIES LIMITED****SUMMARISED BALANCE SHEET & PROFIT & LOSS ACCOUNT****Summarized Balance Sheet**

<b>Company Owned (Assets)</b>	<b>Amount (Rs. In Thousands)</b>	
	<b><u>2010-11</u></b> As at 31 <sup>st</sup> March, 2011	<b><u>2009-10</u></b> As at 31 <sup>st</sup> March, 2010
1. NET FIXED ASSETS	<b>587.58</b>	<b>637.19</b>
2. INVESTMENTS	<b>21427.56</b>	<b>19474.31</b>
3. DEFERRED TAX ASSETS (NET)	<b>0.00</b>	<b>0.00</b>
4. NET CURRENT ASSETS	<b>6628.36</b>	<b>8188.43</b>
5. MISCELLANEOUS EXPENDITURE	<b>2584.95</b>	<b>1884.90</b>
6. TOTAL ASSETS (NET)	<b>31228.45</b>	<b>30184.83</b>
<b>Company Owned (Liabilities)</b>		
1. LOANS	<b>1068.00</b>	<b>0.00</b>
2. DEFERRED TAX LIABILITY (NET)	<b>140.45</b>	<b>164.83</b>
3. NET WORTH	<b>30020.00</b>	<b>30020.00</b>
4. TOTAL FUNDS EMPLOYED	<b>31228.45</b>	<b>30184.83</b>

**Summarized Profit and Loss Account**

<b>Particulars</b>	<b>Amount (Rs. In Thousands)</b>	
	<b><u>2010-11</u></b> As at 31 <sup>st</sup> March, 2011	<b><u>2009-10</u></b> As at 31 <sup>st</sup> March, 2010
<b><u>1. INCOME</u></b>		
1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS	<b>360.00</b>	<b>180.00</b>
2. DIVIDEND AND OTHER INCOME	<b>6.84</b>	<b>12.28</b>
<b>TOTAL INCOME</b>	<b>366.84</b>	<b>192.28</b>

<b>2. EXPENDITURE</b>		
RAW MATERIALS / COMPONENTS, MANUFACTURING EXPENSES	0.00	<b>0.00</b>
EMPLOYEE COST	<b>146.39</b>	<b>175.50</b>
DEPRECIATION / AMORTISATION	<b>49.61</b>	<b>49.90</b>
FINANCIAL & INTEREST CHARGES	<b>0.50</b>	<b>0.94</b>
ADMINISTRATION & SELLING EXPENSE	<b>895.72</b>	<b>1338.16</b>
<b>TOTAL EXPENDITURE</b>	<b>1092.22</b>	<b>1564.50</b>
<b>3. PROFIT / (LOSS) BEFORE TAX</b>	<b>(725.38)</b>	<b>(1372.22)</b>
<b>4. TAX EXPENSES</b>	<b>24.38</b>	<b>7.57</b>
<b>5. PROFIT /(LOSS) AFTER TAX</b>	<b>(701.00)</b>	<b>(1364.65)</b>
<b>6. PREVIOUS YEAR ADJUSTMENT</b>	<b>1885.85</b>	<b>(520.25)</b>
<b>7. PROFIT /(LOSS) FOR THE YEAR</b>	<b>(2584.95)</b>	<b>(1884.90)</b>
<b>EPS</b>	<b>(0.23)</b>	<b>(0.45)</b>

## **FOX SOFTWARE TECHNOLOGIES LIMITED**

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### **NOTICE OF 17<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the shareholders of Fox Software Technologies Limited will be held on Friday, 30<sup>th</sup> September, 2011, at 10.00 a.m. at its Registered Office at 110, Deepali Building, 92, Nehru Place, New Delhi-110019, to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint M/s. Neeraj Madan & Associates, Chartered Accountants, Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.
3. To appoint a Director in place of Mr. Sunil Kala, who retires by rotation and being eligible, offers himself for re-appointment.

**By Order of the Board  
For Fox Software Technologies Limited**

Place: New Delhi  
Date: 02<sup>nd</sup> September, 2011

**Ashok Mehta  
Chairman**

#### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on the poll only, instead of himself and proxy so appointed need not be a member of the Company. Proxies in order to be effective must reach at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22<sup>nd</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive).
3. Shareholders of the Company may opt for conversion of their physical holding to demat holdings by lodging their physical Share certificate with Dematerialization Request form with their Depository Participant.
4. Corporate Members are requested to send a duly certified copy of the Board resolution/ power of attorney authorising their representative to attend and vote at the Annual General Meeting.
5. Members are requested to notify any change in their address.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. Members seeking any information with regard to accounts are requested to write to the company at least 10 days in advance so as to enable the company to keep information ready.
8. Member desirous of making nomination in respect of their shareholding in the company as permitted under section 109 of the Companies Act, 1956, are requested to write to the Company's Registrar in the prescribed form.
9. Member may note that no gift/gift coupons shall be distributed at the venue of the meeting.
10. Details of Directors seeking Appointment/ re-appointment at the Annual General Meeting ( in pursuant of clause 49 of the Listing Agreements)

<b>NAME OF DIRECTOR</b>	Sunil Kala
<b>Age</b>	62 years
<b>Date of Appointment as a Director</b>	10/07/2003
<b>Expertise</b>	Rich and Vast experience in corporate planning control and decision making.
<b>Outside Directorships/ Committee Memberships/ Chairmanships in Public Companies</b>	Nil
<b>Qualifications</b>	Science Graduate
<b>Shareholding in the Company</b>	Nil

**By Order of the Board  
For Fox Software Technologies Limited**

Place: New Delhi  
Date: 02<sup>nd</sup> September, 2011

**Ashok Mehta  
Chairman**

## **FOX SOFTWARE TECHNOLOGIES LIMITED**

### **DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report on the operations of the company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

#### **1. Financial Results & Operational Performance**

<b>PARTICULARS</b>	<b>YEAR ENDED 31-03-2011 AMOUNT IN RS.</b>	<b>YEAR ENDED 31-03-2010 AMOUNT IN RS.</b>
<b>Total Income</b>	3,66,838	1,92,284
<b>Profit before depreciation</b>	(6,75,773)	(13,22,313)
<b>Less: Depreciation</b>	49,610	49,903
<b>Profit / (Loss) before tax</b>	(7,25,383)	(13,72,216)
<b>Less: Provision for Income Tax / FBT</b>	NIL	NIL
<b>Profit / (Loss) after taxation</b>	(7,25,383)	(13,72,216)
<b>Less: Provision for Deferred tax &amp; Prior Period Items</b>	25,331	8,160
<b>Surplus / (Deficit) b/f from Previous years</b>	(18,84,899)	(5,20,843)
<b>Profit / (Loss) c/f to Balance Sheet</b>	(25,84,951)	(18,84,899)
<b>EPS</b>	<b>(0.23)</b>	<b>(0.45)</b>

During the financial year, the company has suffered a loss of Rs.7,25,383/- as compared with the result of previous year during which the company made a loss of Rs.13,72,216/-. Your Directors are very much positive to revive and bring on top the Software business and adopt some new business lines and new avenues of earnings in which the company can venture and produce good results and maximize shareholders wealth.

#### **2. Dividend**

The Board of Directors does not recommend any dividend for the year 2010-2011.

### **3. Public Deposits:**

The Company has not accepted any deposits including fixed deposits from the public under section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975, during the financial year.

### **4. Director's Responsibility Statement**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

That in the preparation of the annual accounts for the financial year ended 31st March, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures;

That the Directors have in selection of the accounting policies have consulted the statutory auditors and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at end of the financial year and of the profit or loss of the Company for the year under review;

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

That the annual accounts for the FY ended 31st March, 2011 have been prepared on a 'going concern' basis.

### **5. Directors**

During the year under review Mr. Sunil Kala, Director of the company retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment to the Board of your Company.

### **6. Accounts and Auditors Report**

The observations of the Auditors' Report read together with the relevant notes to the accounts are self-explanatory and therefore, do not call any further comments.

### **7. Auditors**

The Company's auditors M/s. Neeraj Madan & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting of the Company. They being eligible offer themselves for re-appointment. A certificate has been received from the Auditors to the effect that their appointment if made would be within the prescribed limits under 224 (1B) of the Companies Act, 1956.

### **8. Personnel**

During the year no employee, whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under Section 217 of the Companies Act, 1956. Therefore, the information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, is not being given.

### **9. Conservation of Energy and Technology Absorption**

The Company's (Disclosure of Particulars in the Report of the Board of Directors') Rules, 1998, require the disclosure of particulars regarding Conservation of Energy in Form-A and Technology Absorption in Form-B



prescribed by the Rules. The Company not being a Manufacturing Company is advised that the requirements of Forms-A & B are not applicable.

#### **10. Corporate Governance**

Your Company has followed good corporate governance practices since inception in accordance with the code of Corporate Governance. A detailed Corporate Governance Report together with a certificate from Statutory Auditors in compliance with Clause 49 of the Listing Agreements is attached and forms a part of this report.

#### **11. Secretarial Compliance Certificate**

The Company has obtained compliance certificate from a practicing Company Secretary and the same is annexed hereto and forms part of the report.

#### **12. Statement pursuant to listing agreements:**

The Company's securities are presently listed at The Delhi Stock Exchange Limited (DSE) and The Cochin Stock Exchange Limited. The listing fees to DSE, only, has been paid.

The Management's Discussion and Analysis in compliance with Clause 49 of the Listing Agreements forming part of this Report is attached.

#### **13. Foreign Exchange Earnings and Outgo**

Earning: Nil  
Outgo: Nil

#### **14. Acknowledgements**

Your directors take this opportunity to thank our customers, bankers, and all the shareholders for the co-operation and assistance extended to the Company and look forward to their continued support.

**For and On behalf of the Board of Directors**

Place: New Delhi  
Date: 02<sup>nd</sup> September, 2011

**Sunil Kala  
Director**

**Ashok Mehta  
Director**

## **FOX SOFTWARE TECHNOLOGIES LIMITED**

### **CORPORATE GOVERNANCE REPORT**

In the present rapidly changing business scenario, good Corporate Governance helps in accomplishing long term Corporate Goals to increase the Stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the sound Corporate Governance.

#### **1. PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE**

It has been a constant endeavor on the part of the Company to achieve excellence in Corporate Governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the corporate sector.

Your Company's philosophy is to implement the Corporate Governance Practices for the benefits of all the stakeholders and continuously improve upon the process for effective functioning of the Board of Directors, its Committees and the executive management.

Your Company has complied with the requirements of the Corporate Governance Code, the disclosure requirements of which are given below.

#### **2. BOARD OF DIRECTORS**

The constitution of Board aims at ensuring Directors commitment to participate in the affairs of the Company with understanding and competence to deal with business issues.

##### **Composition of Board of Directors:**

<b>Name of the directors</b>	<b>Category</b>	<b>Other Directorships in Public Companies</b>	<b>Committee Memberships</b>	<b>Committee Chairmanships</b>
Mr. Ashok Mehta	Executive Chairman/Promoter	None	Nil	Nil
Mr. Sunil Kala	Director/ NE/Independent	None	Nil	Nil
Mr. Manoj Oberai	Director/ NE/Independent	None	Nil	Nil
Mr. Jogeshwar Sharma	Director/ NE/Independent	None	Nil	Nil
Mr. S. K. Tripathi*	Executive Director	None	Nil	Nil

\*During the year Mr. S. K. Tripathi has resigned from the Board w.e.f. 28<sup>th</sup> January, 2011.

##### **Meetings of the Board and Attendance thereat:**

The Board Directors of your company met ten times on 02/04/2010, 30/04/2010, 26/07/2010, 08/08/2010, 18/08/2010, 31/08/2010, 06/09/2010, 01/10/2010, 19/10/2010, and 28/01/2011 during the financial year. The attendance of various directors thereat is as under:

<b>Sl. No.</b>	<b>Name of the director</b>	<b>No. of Board Meetings attended</b>	<b>Whether attended last AGM</b>
1.	Mr. Ashok Mehta	10	Yes
2.	Mr. S. K. Tripathi*	9	Yes
3.	Mr. Manoj Oberai	10	Yes

4.	Mr. Sunil Kala	7	Yes
5.	Mr. Jogeshwar Sharma	10	Yes

\*Mr. S. K. Tripathi has resigned from the Board w.e.f. 28<sup>th</sup> January, 2011.

**Details of Director(s):**

Details of the Director(s) seeking appointment/re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreements, have been given along with the Notice of Annual General Meeting.

**3. CODE OF CONDUCT**

The Company has adopted a Conduct for all Board members and the senior management of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2011. A declaration to that effect, duly signed by the Chairman is annexed and forms a part of this report.

**4. COMMITTEES OF THE BOARD**

The constitution of Committees of the Board aims at ensuring support to the Board regarding the activities assigned to the committees.

**(i) Audit Committee**

In terms of clause 49 of the listing agreements and Section 292A of the Companies Act, 1956, an audit committee was constituted. Composition of the audit committee and Detail of meetings attended are as follow:

Sl. No.	Name of the Director	Category	No of Committee Meetings held	No. of Committee Meetings attended
1.	Mr. Sunil Kala	Independent NE Director	4	4
2.	Mr.Jogeshwar Sharma	Independent NE Director	4	4
3.	Mr. Manoj Oberoi	Independent NE Director	4	4

The Chairman of the Audit Committee is Mr. Sunil Kala, who is an Independent Non Executive Director and is proficient in financial accounting knowledge as per clause 49 of the listing agreements.

**Term of Reference:** The functioning and terms of reference of the Audit Committee are as prescribed under Section 292 A of the Companies Act, 1956 and Clause 49 of the listing agreements with the Stock Exchanges.

**(ii) Remuneration Committee**

The Chairman of the remuneration Committee is Mr. Sunil Kala, who is an Independent Non Executive Director. The Chairman and other Directors have not drawn any remuneration from the Company.

Sl. No.	Name of the Director	Category	No of Committee Meetings held	No. of Committee Meetings attended
1.	Mr. Sunil Kala	Independent NE Director	Nil	N.A.
2.	Mr.Jogeshwar Sharma	Independent NE Director	Nil	N.A.
3.	Mr. Manoj Oberoi	Independent NE Director	Nil	N.A.

The powers and terms of reference of the Remuneration Committee include:

- # To recommend and review the remuneration package of Managing/Whole time directors.
- # To decide the service contracts, notice period and severance fees of executive Directors during the year.
- # To formulate a board policy framework for managerial remuneration.

### **(iii) Investor Grievance**

**Compliance Officer** – Mr. Ashok Mehta, Chairman was appointed as the Compliance Officer of the Company after resignation of Mr. S. K. Tripathi from the Board of Directors.

**Pending Share Transfer**- No request for transfer was pending for approval as on 31<sup>st</sup> March, 2011.

**Complaints received/ resolved**- During the year no complaint was received from investors.

The complaints or queries relating to the shares can also be forwarded to the Company's Registrar and Transfer Agents M/s Link Intime India Private Limited, 2<sup>nd</sup> Floor, A-40, Naraina Industrial Area, Phase-II, Nr. Batra Banquet Hall, NewDelhi-110028, Tel:011-41410592/93/94 , Email: delhi@linkintime.co.in.

## **5. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as per the details given below:-

<b>Year</b>	<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>No of Special Resolution passed</b>
2007-2008	Tuesday	30.09.2008	11.00 A.M.	Regd. Office	NIL
2008-2009	Wednesday	30.09.2009	11.00 A.M.	Regd. Office	NIL
2009-2010	Thursday	30.09.2010	10.00A.M.	Regd. Office	NIL

## **6. DISCLOSURES**

The Company has complied with the requirements of the stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI.

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

## **7. DEMATERIALISATION OF SHARES**

M/s Link Intime India Pvt. Ltd. has been appointed as common agency for undertaking physical transfers and to act as depository Registrar.

## **8. CEO/CFO CERTIFICATION**

The CEO/CFO certificate for the year ended 31<sup>st</sup> March, 2011 forms part of this report. Similarly, the CEO/CFO also gives quarterly certification on the financial results while placing the quarterly financial results before the Board in terms of Clause 41 of the listing agreements entered into with stock exchanges.

## **9. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES, 2009**

The company has followed the “Corporate Governance Voluntary Guidelines, 2009” in all respects and the company has tried its best to comply on all the material points mentioned therein during the financial year particularly with respect to composition & remuneration of the Board of Directors, its responsibilities, Audit committee, Secretarial Audit and Whistle Blowing Mechanism.

## **10. CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES**

The company has tried to follow fully the “Corporate Social Responsibility Voluntary Guidelines, 2009” with its full endeavor regarding the care of all stakeholders, ethical functioning, human/ staff rights & welfare, environmental precautions, social and inclusive development.

## **11. MEANS OF COMMUNICATION**

Quarterly Financial Results and Annual Report of the company are sent to the Stock Exchange as per the requirements of the Listing Agreements. During FY 2010-2011 the quarterly results of the Company were published in leading English newspapers viz. the Pioneer, and in regional newspapers viz. Haribhoomi.

## **12. GENERAL SHAREHOLDERS INFORMATION**

<b>I. Annual General Meeting</b>	Date and Time: Friday, 30 <sup>th</sup> September, 2011 at 10.00 a.m. Venue: 110, Deepali Building- 92, Nehru Place, New Delhi-110019
<b>II. Financial Calendar</b>	1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011
<b>III. Book Closure</b>	22 <sup>nd</sup> September, 2011 to 30 <sup>th</sup> September, 2011 (both days inclusive)
<b>IV. Dividend Payment Rate</b>	No Dividend
<b>V. Listing on Stock Exchanges</b>	Delhi Stock Exchange Limited (DSE) DSE House, 3/1, Asaf Ali Road Delhi-110002  Cochin Stock Exchange Limited (CSE) MES Complex, 4 <sup>th</sup> Floor, 36/1565 Judges Avenues, Kaloor, Kochi-682017
<b>VI. Stock Code</b>	DSE: 104121 CSE: DMB-09
<b>VII. Dematerialization</b>	The Company’s shares are available for trading in Depository System with NSDL & CDSL.
<b>VIII. Registered Office</b>	110, Deepali Building, 92 Nehru Place, New Delhi – 110019 Tel: 011-26418807.
<b>IX. Share Transfer Agents</b>	Link Intime India Pvt. Ltd. Formerly known as Intime Spectrum Registry Limited, 2 <sup>nd</sup> Floor, A-40, Naraina Industrial Area, Phase-II Nr. Batra Banquet Hall, New Delhi-110028 Tel: 011-41410592/93/94 Email: delhi@linkintime.co.in

**X. E-mail Id** ashokmehta\_delhi@yahoo.com

**XI. Address for Correspondence** Shareholders correspondence should be addressed to our Registrar and Transfer Agent at the above given address.

**XII. Whistle Blowing Mechanism** Company has not denied any personal access to the Audit Committee and is always welcoming such efforts of the shareholders or employees. Further the company has laid down a whistle blowing policy recommended by the audit committee for safeguards of the shareholders and employees of the company.

**XIII. Distribution of shareholding as on 31.03.2011**

SHAREHOLDING OF NOMINAL VALUE OF RS.	NUMBER OF SHAREHOLDERS	% OF TOTAL	NO. OF SHARES	AMOUNT IN RS.	% TO TOTAL
UP TO 5000	230	52.39%	71430	714300	2.38%
5001 TO 10000	114	25.97%	93600	936000	3.12%
10001 TO 20000	30	6.83%	47500	475000	1.58%
20001 TO 30000	8	1.82%	20800	208000	0.69%
30001 TO 40000	20	4.56%	75900	759000	2.53%
40001 TO 50000	6	1.37%	26200	262000	0.87%
50001 TO 100000	6	1.37%	53500	535000	1.78%
100001 AND ABOVE	25	5.69%	2613070	26130700	87.04%
<b>TOTAL</b>	<b>439</b>	<b>100.00%</b>	<b>3002000</b>	<b>30020000</b>	<b>100.00%</b>

**Shareholding Pattern as on 31.03.2011**

**Shares of Rs.10/- each.**

Category	No. of Shares	Percentage of Shareholding
Promoters	880110	29.32%
Person acting in concert	0	0%
Corporate Bodies	1440600	17.99%
Indian Public	681290	22.69%
Non Resident Indians	0	0%
<b>Grand Total</b>	<b>3002000</b>	<b>100%</b>

## **FOX SOFTWARE TECHNOLOGIES LIMITED**

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### **MANAGEMENT ANALYSIS & DISCUSSION REPORT**

In respect of recession, the company has suffered losses. The structure of the IT Industry in India has emerged on the global center-stage as an economic power to reckon.

The Company's operation is carried out under single division. The Company is planning to search a good alliance partner to build up a strong base in the IT industry and related enabled services.

The Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any un-authorized use or disposition of assets, and that the transactions are authorized, recorded and reported correctly. It ensures adherence to and compliance with internal control policies and procedures as well as regulatory requirements.

The Audit Committee reviews adequacy of internal controls.

#### **Declaration by Chairman**

I, Ashok Mehta, Chairman of Fox Software Technologies Limited hereby confirm pursuant to clause 49(1)(D) of the listing agreements that:

- The Board of Directors of the company has laid down a code of conduct for all Board members and senior management of the Company.
- All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2011.

**Ashok Mehta**  
**Chairman**

**FOX SOFTWARE TECHNOLOGIES LIMITED**

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**Chief Executive Office(CEO) and Chief Financial Officer(CFO) Certification:**

To the best of our knowledge and belief we hereby certify that:

- a) We have reviewed the Balance Sheet and Profit and Loss Account as on 31<sup>st</sup> March, 2011 and all its schedules and notes on accounts, as well as Cash Flow Statements and the Directors Report.
- b) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
- c) These statements together present a true and fair view of the Company and are in compliance with the existing accounting standards and/ or applicable laws/ regulations.
- d) We are responsible for establishing and maintaining internal control and have evaluated the effectiveness of internal control system of the Company.
- e) There is no instance of significant Fraud that involves management or employees having a significant role in the Company's internal control systems.
- f) We have indicated to the Auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and/ or accounting policies during the year.

**Ashok Mehta**  
Director

**Sunil Kala**  
Director

**Date: 02<sup>nd</sup> September, 2011**  
**Place: New Delhi**



**FOX SOFTWARE TECHNOLOGIES LIMITED**

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**Auditors' Certificate regarding compliance of the conditions of  
Corporate Governance under Clause 49 of the Listing Agreements**

Company has obtained a certificate from the Auditor of the Company regarding compliance of corporate Governance as stipulated in the Listing Agreements with the Stock Exchanges.

To  
The Members  
Fox Software Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Fox Software Technologies Limited ("the Company"), for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the "Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreements)", issued by the Institute of Chartered Accountants of India and 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 with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For and on behalf of  
Neeraj Madan & Associates  
Chartered Accountants

Neeraj Madan  
Proprietor  
Membership No. 88569

02<sup>nd</sup> September, 2011  
New Delhi

**FOX SOFTWARE TECHNOLOGIES LIMITED**

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**AUDITORS CERTIFICATE ON CASH FLOW**

We have verified the attached cash flow statement of Fox Software Technologies Limited for the year ended 31<sup>st</sup> March, 2011. This statement has been compiled by the Company from the Audited financial statements for the Year Ended 31<sup>st</sup> March, 2011. We found the same in accordance with the requirements of clause 32 of the Listing Agreements with the stock exchanges.

For Neeraj Madan & Associates,  
Chartered Accountants

Neeraj Madan  
Proprietor  
M. No. 88569

02<sup>nd</sup> September, 2011  
New Delhi

**NEERAJ MADAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**C-7, Greater Kailash Enclave-II, New Delhi-110048**

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**AUDITORS' REPORT**

**TO THE MEMBERS OF FOX SOFTWARE TECHNOLOGIES LIMITED**

1. We have audited the attached balance sheet of FOX SOFTWARE TECHNOLOGIES Limited as at March 31, 2011, the profit and loss account and cash flow statement 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 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's report) (Amendment) order, 2004 (together the "order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956' of India (the 'Act') and on the bases of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 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 account 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 and Loss Account and cash flow dealt with by this report are in agreement with the books of account;

- (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 the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with other notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011; and
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date.
- (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

**For NEERAJ MADAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Registration Number: 012840N**

**NEERAJ MADAN**  
**Proprietor**  
**M. NO 088569**  
**Place : New Delhi**  
**Dated : September 02, 2011**

**THE ANNEXURE TO THE AUDITOR'S REPORT ( Referred to paragraph (1) of our report of even date) TO THE MEMBERS OF FOX SOFTWARE TECHNOLOGIESLIMITED FOR THE YEAR ENDED MARCH 31, 2011. WE REPORT THAT:**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a system of physical verification, which is designed to cover all fixed assets, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (d) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year and going the concern status of the Company is not affected.
- (ii) The Company does not have any inventory hence the clause of inventory is not applicable.
- (iii) (a) According to the information and explanations given to us, the Company has not given any loans, secured or unsecured to the Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (b) There are two parties covered in the register maintained under Section 301 of the Companies Act, 1956, from which the company has taken loans. The maximum amount involved during the year was Rs 1668000 and the year-end balance of loans granted to such party was Rs 10,68,000.
- (c) In our opinion rate of interest and other terms and conditions for such loans are not prime fascia prejudicial to the interest of the Company.
- (d) In respect of such loans taken by the company, where stipulations have been made, they have generally paid the principal amount as stipulate.
- (iv) According to the information and explanations given to us, having regard to the explanation that transactions entered with the party covered under Section 301 of the Companies Act, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion, there are no transaction made in pursuance of contracts or arrangements during the year, for which the particulars of the

contracts/arrangements referred to in Section 301 of the Companies Act, 1956, needs to be entered in the register required to be maintained under that Section.

- (b) According to the information and explanations given to us, there are no transaction made in pursuance of contracts or arrangements which needs to be entered in register maintained under Section 301 of the Companies Act. 1956, and exceeding the value of rupees five lacs in respect of any party during the year.
- (vi) The Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of the paragraph 4 of the Order are not applicable to the Company.
- (vii) According to the information and explanations given to us, the Company has an adequate internal audit system commensurate with its size and nature of its business. The Company has formed Audit Committee to strengthen internal audit system.
- (viii) To the best of our knowledge, the central government has not prescribed maintenance of the cost records under clause 209 (1) (d) of the Companies Act, 1956 by the company. Accordingly, the provisions of clause 4(viii) of the order are not applicable to the company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including income tax, sales-tax, wealth tax, customs duty, excise duty, cess, value added tax and other material statutory dues applicable to it with the appropriate authorities. We are informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of TDS, Income Tax, sales tax, wealth tax, customs duty and cess, which have not been deposited.
- (x) The Company has a accumulated losses of Rs 25,84,951 at the end of financial year, and the Company has incurred cash loss of Rs 6,75,773 during the financial year covered by the audit and in the immediate preceding financial year there was a cash loss of Rs 13,22,313.
- (xi) According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not taken any loan from banks and financial institutions during the year. The Company has not issued debentures during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances during the year 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 / nidhi / mutual benefit fund / society. Therefore the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures, and other securities and timely entries have been made therein. The investments are held by the Company in its own name and save for certain shares which are either lodged for transfer or held with valid transfer forms.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others.
- (xvi) The Company has not taken any term loan during the financial year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the company has not taken any loan in nature of short term or long term funds during the year. Therefore the provisions of clause 4 (xvii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) According to information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For NEERAJ MADAN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**NEERAJ MADAN  
Proprietor  
M. NO 088569  
Place : New Delhi  
Dated : September 02, 2011**

**FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as Delhi Merchant Bankers Ltd**  
**BALANCE SHEET AS AT 31ST MARCH, 201**

Figures in Rupees

	Schedule	As at 31st March, 2011	As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<u>Shareholders' Funds</u>			
Share Capital	I	30,020,000	30,020,000
<b>Unsecured loans</b>			
Loan from others		1,068,000	-
Deferred Tax Liability		140,448	164,832
<b>TOTAL</b>		<b>31,228,448</b>	<b>30,184,832</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	II	1,088,718	1,088,718
Less: Accumulated Depreciation		501,142	451,532
Net Block		587,576	637,186
<b>Investments</b>	III	21,427,558	19,474,314
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors		-	-
Cash and Bank Balances	IV	105,743	487,732
Loans & Advances	V	7,251,217	8,189,879
		7,356,960	8,677,611
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	VI	728,597	489,178
Provisions		-	-
		728,597	489,178
<b>Net Current Assets</b>		<b>6,628,363</b>	<b>8,188,433</b>
<b>Miscellaneous Exp.</b>			
(to the extent not written off or adjusted)			
Profit & Loss account		2,584,951	1,884,899
<b>TOTAL</b>		<b>31,228,448</b>	<b>30,184,832</b>

Significant accounting policies &  
Notes to Accounts forming part of Balance Sheet  
As per our report of even date attached

X

**For Neeraj Madan & Associates**  
Chartered Accountants

**For and on behalf of the Board of Directors**

Neeraj Madan  
Proprietor  
(M .No. 88569)  
Place : New Delhi  
Date : 02.09.11

Ashok Mehta  
Director/Chairman

Sunil Kala  
Director



**FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as Delhi Merchant Bankers Ltd.**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Figures in Rupees

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
<b><u>INCOME</u></b>			
Syndication/users charges	VII	360,000	180,000
Miscellaneous Income	VIII	6,838	12,284
<b>TOTAL INCOME</b>		<b>366,838</b>	<b>192,284</b>
<b><u>EXPENDITURE</u></b>			
Payments and Benefits to Personal		146,391	91,500
Directors Remuneration		-	84,000
Administrative and Selling Expenses	IX	896,220	1,339,097
Depreciation		49,610	49,903
<b>TOTAL EXPENDITURE</b>		<b>1,092,221</b>	<b>1,564,500</b>
<b>Profit/(Loss) before Taxation</b>		<b>(725,383)</b>	<b>(1,372,216)</b>
<b>Provision for Taxation</b>			
- Current Tax		-	-
- Deferred Tax		24,384	7,574
Previous Year Adjustment a/c		947	586
Loss brought forward from Previous year		1,884,899	520,843
<b>Balance Carried over to Balance Sheet</b>		<b>(2,584,951)</b>	<b>(1,884,899)</b>
Basic / Diluted earnings per Share		<b>(0.23)</b>	<b>(0.45)</b>
Significant accounting policies & Notes to Accounts forming part of Balance Sheet As per our report of even date attached	X		

**For Neeraj Madan & Associates**  
Chartered Accountants

**For and on behalf of the Board of Directors**

Neeraj Madan  
Proprietor  
(M .No. 88569)  
Place : New Delhi  
Date : 02.09.11

Ashok Mehta  
Director/Chairman

Sunil Kala  
Director

**FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as Delhi Merchant Bankers Ltd.**  
Annexed to and forming part of the Balance Sheet as at 31st March, 2011

	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE--I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
35,00,000 Equity shares of Rs 10 each	35,000,000	35,000,000
	<u>35,000,000</u>	<u>35,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
30,02,000 Equity Shares of Rs 10/- each fully paid up	30,020,000	30,020,000
	<u>30,020,000</u>	<u>30,020,000</u>

**FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as Delhi Merchant Bankers Ltd.**

**Cash & Bank Balances**

Cash in hand	67,223	115,035
Balance in Scheduled Banks in current account	38,520	372,697
	<u>105,743</u>	<u>487,732</u>

**SCHEDULE--V**

**Loans & Advances**

(Unsecured, Considered good)

Advance recoverable in cash or in kind or  
for value to be received

	7,251,217	8,189,879
	<u>7,251,217</u>	<u>8,189,879</u>

**SCHEDULE--VI**

**Current Liabilities & Provisions**

Current Liabilities

Sundry Creditors	728,597	465,857
Expenses Payable	-	23,321

	<u>728,597</u>	<u>489,178</u>
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Provisions

Provision for Fringe Benefit Tax	-	-
Provision for Income tax	-	-
	<u>-</u>	<u>-</u>

**FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as Delhi Merchant Bankers Ltd.**

Annexed to and forming part of the Profit &amp; Loss Account for the year ended 31.03.11

	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE--VII</b>		
<b>Syndication\User Charges</b>		
User Charges	360,000	180,000
	<u>360,000</u>	<u>180,000</u>
<b>SCHEDULE--VIII</b>		
<b>Misc. Income</b>		
Dividend	6,838	12,284
Loss on sale of Investments	-	-
	<u>6,838</u>	<u>12,284</u>
<b>SCHEDULE--IX</b>		
<b>Administrative, Selling &amp; Other expenses</b>		
Communication Exp	-	-
Books & Periodicals	1,000	-
Delayed payment charges	123,306	32,846
Bonus exp	2,500	-
Listing fees	19,413	13,800
Compounding Fees	12,500	-
Professional charges	-	-
Demat Charges	-	504
Advt. & Publicity Expenses	29,934	19,537
Rent, rates & Taxes	9,671	6,447
Deffered Income Tax	-	-
Bank Charges	503	445
Travel and conveyance	17,952	-
Repairs & Maint.	13,184	13,184
Diwali Gift	500	-
Telephone Expences	4,815	4,025
Loss on sale of Investment	607,496	1,197,369
Legal & Professional charges	32,736	31,086
Auditors Remuneration	19,854	19,854
Annual listing fees	-	-
Salary	-	-
postage & Courier	711	-
Printing & Stationary	145	-
FBT Previous Year	-	-
	<u>896,220</u>	<u>1,339,097</u>

**FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as Delhi Merchant Bankers Ltd.**

Annexed to and forming part of the Balance Sheet as at 31st March, 2011

**SCHEDULE-II****FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 1.4.2010	ADDNS. DURING THE YEAR	ADJUSTMENT DURING THE YEAR	TOTAL AS ON 3/31/2011 (RS)	AS ON 1.4.2010	TOTAL DEP. AS AT 31-3-11	AS AT 3/31/2011	AS AT 3/31/2010	
	1	2	3	4	5	7	8	9	
Furniture & Fixtures	38,237	-	-	38,237	36,110	2,127	38,237	-	2,127
Office Equipments	128,481	-	-	128,481	85,298	6,102	91,400	37,081	43,183
Computer & Laptop	361,000	-	-	361,000	195,221	33,393	228,614	132,386	165,779
Flat(Leasehold)	561,000	-	-	561,000	134,903	7,988	142,891	418,109	426,097
Scooter	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,088,718</b>	-	-	<b>1,088,718</b>	<b>401,629</b>	<b>49,610</b>	<b>501,142</b>	<b>587,576</b>	<b>637,186</b>
Previous Year	1,117,082	-	5,886	1,111,196	372,182	51,925	424,107	687,089	744,900

**For Neeraj Madan & Associates**

Chartered Accountants

**For and on behalf of the Board of Directors**Neeraj Madan  
Proprietor  
(M.No. 88569)  
Place : New Delhi  
Date : 02.09.11Ashok Mehta  
Director/Chairman  
Sunil Kala  
Director

## FOX SOFTWARE TECHNOLOGIES LIMITED

### SCHEDULE "X"

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING A PART OF ACCOUNTS

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statement are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) ,and materially comply with accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act.1956 .All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis .

##### 2. REVENUE RECOGNITION

The revenue of Transfer of Development rights has been recognized on the basis of actual area sold .All the items of income & expenditure having material bearing on the financial statement are recognized on accrual basis.

##### 3. FIXED ASSETS

Fixed assets are stated at their original cost including other expenses related to acquisition and installation less depreciation.

##### 4. DEPRECIATION

Depreciation on fixed assets is provided on a written down value line basis at rates specified by the Companies Act 1956.

##### 5. EARNING PER SHARE

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on Earnings per share .Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year as adjusted for the effects of all dilative potential equity shares ,except where the results are anti-dilutive.

##### 6. PRIOR PERIOD AND EXTRAORDINARY ITEM

Prior period and extraordinary transaction are accounted in accordance with the Accounting Standard -5 Issued by ICAI. Transaction arising out of error or omission exceeding ` 25000 in each case considered as material are accounted under prior period expenses. Prior period and extraordinary items Rs NIL.

## **7. SIGNIFICANT EVENTS OCCURRING AFTER BALANCE SHEET DATE**

Treatment of Contingencies and significant event occurring after Balance sheet date in accordance with AS-4. Event of value ` 5 lacks and above are considered as significant.

## **8. INCOME TAX AND DEFERRED TAX**

The current tax for income taxes is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the Profit offered for income taxes and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

Deferred tax assets in respect of losses carried forward are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

## **9. Investments:**

Shares and other securities with the Company, which it intends to hold for long term are classified as investments. Investments are valued at cost.

## NOTES ON ACCOUNTS

1. Contingent Liabilities : **Nil**
  
2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances & Other Current Assets have a value on realization in the ordinary course of the business at least equal to the amount stated in the Balance Sheet and Provision for all known liabilities have been made.
  
3. Balance of Sundry Debtors and some Sundry Creditors are subject to confirmation by the concerned parties.
  
4. Earning per Share :

**Figures in Rupees**

S. No.	Particulars	2010 – 2011	2009 – 2010
A.	Net Profit after tax available for Equity Shareholders	(700052)	(1372216)
B.	Weighted average number of ordinary Shares of Basic E.P.S	3002000	3002000
	Weighted average number of ordinary Shares for Diluted E.P.S	3002000	3002000
C.	Nominal Value of Ordinary Shares (Rs.)	10	10/-
D.	Basic/Diluted Earnings per ordinary share (Rs.)	(.23)	(.45)

5. In the opinion of Board of Directors, the "Current assets, loans and advances" have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Balance Sheet.
  
6. Managerial Remuneration: Remuneration to Key managerial person paid during the year, is within the prescribed limits under Section II of Part II of Schedule XIII of the Companies Act, 1956.
  
7. Provisions and /or payment in respect of Auditor's Remuneration:

Sr. No.		Current Year (Rs)	Previous Year (Rs)
1	Statutory Audit fees	19,854/-	19,854/-

8. Earning in Foreign Currency : NIL
  
9. Expenditure in Foreign Currency: Nil



10. Related Party Disclosure(As identified by the Management) are classified as:

<b>ASSOCIATES</b>	
AM E-Soft (India) Corporation Ltd.	
<b>Key Managerial Personnel and Their Relatives</b>	
Ashok Mehta	Chairman & Director
S. K. Tripathi	Whole Time Director
Sunil Kala	Director
Manoj Oberoi	Director
Jogeshwar Sharma	Director

(b) *Relatives of Key Managerial Personnel: No transactions were made with any relatives of the Key managerial personal during the year*

a) Enterprises over which the relatives are able to exercise significant influence: -

<b>Name of Company</b>
All Rounder Marketing Pvt. Ltd.      Rajiv Mehta Director

Summary of significant related parties transactions carried out in ordinary course of business are as under :

( Amount in Rupees)					
Sr. No.	Description	Associates	Key Management Personal	Entities Relatives of Key Management Personal	TOTAL
Balance at the end of year					
1	Loan and advance taken	4,18,000 (0)	6,50,000 (0)	0 (0)	10,68,000 (0)
2	Loan and advances Given	0 (18,94,500)	0 (0)		0 (18,94,500)

11. (a) **Deferred Tax Liability**

Particulars	Current Year (Rs)	Previous Year (Rs)
<b>Deferred Tax Liability</b>		
Difference between WDV of Fixed Assets	454523	484944
<b>Deferred Tax Assets/Liability</b>		
Disallowances u/s 4o	0	0.00
Brought forward business Losses as at 31.03.2010 (to the extent allowed to be carried forward as per I-T. Act	0	0
Net Timing Difference	454523	484944
Income Tax Rate	30.90%	33.99%
Total Deferred Tax Liability	140448	164832

12. Parties' balances are subject to confirmation and reconciliation.
13. There are no transactions made with the suppliers during the year regarding the status under Micro Small and Medium Enterprises Development Act, 2006 and hence disclosure if any, relating to the amount unpaid at the year end together with interest payable as required under the said act have not been given.
14. As per Accounting Standard AS-17 related to Segment Reporting issued by The Institute of Chartered Accountants of India, there are no specific Segments hence, desired details are well reflected.
15. Previous Year's figure have been regrouped and rearranged whenever necessary to make them comparable with those of the current year.

**For and on behalf of the Board of Directors**

**As per our report of even date attached  
For NEERAJ MADAN &  
ASSOCIATES.**

**Chartered Accountants**

**Ashok Mehta**

**Sunil Kala**

**(Director)**

**(Director)**

**(CA NEERAJ MADAN)  
Proprietor (Membership No.  
088569)**

**Place : New Delhi**

**Dated : September 02, 2011**

**M/s FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as M/s Delhi Merchant Bankers Ltd.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2011**  
**As per Para 18(b) of Accounting Standard 3**

	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>(Rs)</b>	<b>(Rs)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Taxes, Interest, Miscellaneous Expenditure & Extraordinary Items:	(724,435)	(1,372,216)
<b>Adjustment for:</b>		
Add: Loss on Sale of Fixed Assets		
Add: loss on Sale of Investment	607,496	1,197,369
Add: Depreciation	49,610	49,903
Less: Dividend Income	(6,838)	(12,284)
Operating Profit before Working capital changes	(74,167)	(137,228)
<b>Adjustment for:</b>		
Increase/decrease in inventories		
Sundry Debtors	-	-
Other Current Assets		
Loans & Advances	938,662	325,000
Current Liabilities and Provisions	239,419	(956,120)
<b>Cash Generation from Operation</b>	1,103,915	(768,348)
Income/ Fringe Benefit Tax Tax Paid		
Extraordinary Items		
<b>Net Cash from Operating Activities</b>	<b>1,103,915</b>	<b>(768,348)</b>
 <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sale of Fixed Assets	-	-
Capital Work In Progress		
Dividend Income	6,838	12,284
Stock transferred to Investment		
Investment	(1,953,244)	2,236,182
Profit/(Loss) on sale of investment	(607,496)	(1,197,369)
<b>Net Cash from Investing Activities</b>	<b>(2,553,903)</b>	<b>1,051,097</b>
 <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	1,068,000	-
Repayments of Long Term borrowings		
Bank Borrowings		
Miscellaneous Expenses		
Payment of Dividend		
Interest Paid		
<b>Net Cash from Financing Activities</b>	<b>1,068,000</b>	<b>-</b>
<b>Net Cash Generation</b>	<b>(381,988)</b>	<b>282,750</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>487,732</b>	<b>204,982</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>105,743</b>	<b>487,732</b>
<b>Net Increase(decrease) in cash &amp; cash equivalents</b>	<b>(381,988)</b>	<b>282,750</b>

**For Neeraj Madan & Associates**  
Chartered Accountants

Neeraj Madan  
Proprietor  
(M .No. 88569)  
Place : New Delhi  
Date : 02.09.11

**For and on behalf of the Board of Directors**

Ashok Mehta                      Sunil Kala  
Director/Chairman              Director

**M/s FOX SOFTWARE TECHNOLOGIES LTD. Formerly known as M/s Delhi Merchant Bankers Ltd.  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER  
SCHEDULE VI, PART(iv) OF THE COMPANIES ACT,1956.**

	As on 31-03-10	As on 31-03-09
<b>I. Registration Details</b>		
Registration Number	59,402	59,402
State Code	55	55
Balance Sheet Date	31.03.2010	31.03.2009
	<b>Amount in</b>	<b>Amount in</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>II. Capital raised during the year</b>		
Public Issue	NIL	NIL
Bonus Issue	NIL	NIL
Right Issue	NIL	NIL
Private Placement	NIL	NIL
<b>III. Position of Mobilisation and Deployment of Funds</b>		
Total Liabilities		31,022
Total Assets		31,022
<b>Sources of Funds</b>		
Paid-up Capital		30,020
Loans		1,002
		<u>31,022</u>
<b>Application of Funds</b>		
Net Fixed Assets		675
Investments		2,171
Net Current Assets		7,108
Misc. Expenditure		-
Accumulated loss		553
		<u>10,507</u>
<b>IV. Performance of Company</b>		
Total Income		192
Total Expenditure		1,564
Profit/(Loss) Before Tax		(1,372)
Profit/(Loss) After Tax		(114)
Earning Per Share		-
Dividend Rate(%)		NIL
<b>V. Generic Names of Principal Products/Services of the Company ( as per Monetary Terms)</b>		
Item Code No.		N.A
Product Description		N.A
		Software and other services

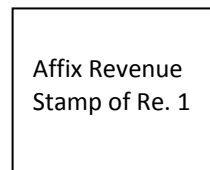
**FOX SOFTWARE TECHNOLOGIES LIMITED**  
Regd. Office: 110, Deepali, 92, Nehru place, New Delhi-19

**PROXY FORM**

I/We..... of ..... being a member/  
members of the above named Company, hereby appoint Shri ..... of  
..... or failing him Shri .....  
as my/ our proxy to vote for me/ us on my/ our behalf at the 17<sup>th</sup> ANNUAL GENERAL MEETING of the  
Company to be held at 10.00 A.M. on Friday, the 30<sup>th</sup> September, 2011 at its Registered Office, at 110, Deepali 92,  
Nehru Place, New Delhi and at any adjournment thereof.

Signed.....

Date .....



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Note: Proxy Form(s) must reach the Company's Registered Office not less than 48 hours before the Commencement of the Meeting.

L/F No..... DP ID ..... Client ID .....  
No. of Shares.....

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting venue)

No. of Shares held ..... L/F No ..... DP ID .....  
Client ID ..... Name of the attending Member (in Block Letters) .....  
Name of Proxy (in Block Letters)..... (To be filled in if the Proxy  
attends instead of the Member)

I hereby record my presence at the 17<sup>th</sup> ANNUAL GENERAL MEETING of Fox Software Technologies Limited held at its Registered Office at New Delhi on 30<sup>th</sup> September, 2011 at 10.00A.M.

**Member's/ Proxy's Signature**

(To be signed at the time of handing over this slip)