

NINETEENTH ANNUAL REPORT 2011 - 12



OMNI AXS SOFTWARE LIMITED

71, Nehru Nagar Industrial Estate, 2nd Link Street,
Kottivakkam, Chennai – 600 041

OMNI AXS SOFTWARE LIMITED

Board of Directors

N.K.Premanandhan,
S. Sailakshmi,
Veera Mohan Arunasalam
Gunasageran Nadeson
Rajendra Jain
Shreyas S Shah

Auditors

Siddharth Mehta
Chartered Accountant
No: 91, Govindappa Naicken Street,
Chennai - 600 001.
Ph: 044 - 25309430, 25390431

Bankers

Andhra Bank, Sowcarpet Branch,
Chennai – 600 079.

HSBC Bank, Mylapore Branch
Chennai – 600 004.

ICICI Bank, Adyar Branch
Chennai – 600 020

Registered Office

71, Nehru Nagar Industrial Estate
2nd Link Street, Kottivakkam,
Chennai – 600 041

Share Transfer Agents

Cameo Corporate Services limited,
1, Subramaniam Building, Club House Road,
Off Mount Road,
Chennai – 600 002
Ph.: (044) 28460390 (5 lines) Fax: (044) 28640129

NOTICE

NINETEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of the Company will be held at Asha Nivas, 9 Rutland Gate, 5th Street, Nungambakkam, Chennai – 600 006 on Friday, 30th September, 2011 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2011, the Profit & Loss account for the period ended on 31.03.2011 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Veeramohan Arunasalam who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Shri Gunasageren Nadeson who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration. The retiring auditor Siddharth Mehta, Chartered Accountant, is eligible for re-appointment.

SPECIAL BUSINESS

Appointment of Directors.

5. To consider and if thought fit pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Rajendra Jain who was appointed as an Additional Director of the company at the meeting of Board of Directors held on 8th February,2011 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (Act) and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution.”

6. To consider and if thought fit pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Shreyas S Shah who was appointed as an Additional Director of the company at the meeting of Board of Directors held on 14th May,2011 and who holds office upto the date of this Annual General Meeting in terms of Section

OMNI AXS SOFTWARE LIMITED

260 of the Companies Act, 1956 (Act) and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

”FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution.”

BY ORDER OF THE BOARD

N.K.Premanandhan
Director

Place : Chennai
Date : 05/09/2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED ATLEAST 48 HOURS BEFORE THE GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.
3. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM MONDAY, 26th SEPTEMBER, 2010 TO FRIDAY, 30TH SEPTEMBER, 2010 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
4. THE MEMBERS ARE REQUESTED TO INTIMATE CHANGE OF ADDRESS, IF ANY AT THE EARLIEST QUOTING THEIR REGISTERED FOLIO NUMBER TO THE REGISTRAR AND TRANSFER AGENTS :

CAMEO CORPORATE SERVICES LIMITED,
1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD,
MOUNT ROAD,
CHENNAI – 600 002,

5. RESUME OF DIRECTORS BEING APPOINTED/REAPPOINTED

Pursuant to Clause 49(VI) (A) of the Listing Agreement relating to the code of Corporate Governance, the particulars of the Directors proposed for appointment/ reappointment are given below:

Mr. Veeramohan Arunasalam

A Malaysian citizen with over 20 years of experience in financial management and corporate restructuring, currently holds the position of Financial Controller of a 150 crore Malaysian company having interest in Realty, Insurance and Investment.

Mr. Gunasageren Nadeson

A Chartered Financial Analyst and a Malaysian citizen is professionally a consultant having vast experience in the field of corporate planning, portfolio management, corporate finance and overseas business development process.

Mr. Rajendra Jain

A commerce and law graduate from Calcutta University. He has been associated with various Corporate Houses in their public relations build ups and media planning. He has wide experience in the fields of Advertisements Budgeting and Creative Designing, System structure along with execution of Concept selling, Methodologies and Propositions.

Mr. Shreyas S Shah

A young dynamic personality is having excellent knowledge of capital market operations. His experience and advice will be valuable for development of finance oriented systems.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ANNEXURE TO THE NOTICE

The following Explanatory Statements relating to Special Business at Item Nos. 5 and 6 are given below

Item No. 5

Mr. Rajendra Jain was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 8th February, 2011 in terms of section 260 of the Companies Act and Articles of Association of the Company and who holds the office only up to the date of ensuing Annual General Meeting. The company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Rajendra Jain as a candidate for the Office of director. The Board has decided to appoint him as Whole Time Director who is liable to retire by rotation with effect from 8th February, 2011 subject to approval of members. Therefore the resolution item no.5 is being placed before the shareholders for their approval.

None of the Directors are interested in the above resolution except Mr.Rajendra Jain.

Item No.6

Mr. Shreyas Shrenik Shah was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 14th May, 2011 in terms of section 260 of the Companies Act and Articles of Association of the Company and who holds the office only up to the date of ensuing Annual General Meeting. The company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Shreyas Shrenik Shah as a candidate for the Office of director. The Board has decided to appoint him as Independent Director who is liable to retire by rotation with effect from 14th May, 2011 subject to approval of members. Therefore the resolution item no.6 is being placed before the shareholders for their approval.

None of the Directors are interested in the above resolution except Mr.Shreyas Shrenik Shah.

BY ORDER OF THE BOARD

N.K.Premanandhan
Director

Place : Chennai
Date : 05/09/2011

DIRECTORS REPORT

Your Directors present the Nineteenth Annual Report together with the Audited Accounts of the Company for the Financial Year ended on 31st March 2011.

FINANCIAL HIGHLIGHTS

The financial results of the Company during the year under review as compared to the previous year are summarised as under:

PARTICULARS	31.03.2011	31.03.2010
Sales & Other Income	2,875,065	72,778,920
Profit / (Loss) before Depreciation and Tax	(32,614,856)	(20,493,219)
Less: Depreciation	239,926	239,926
Profit / (Loss) before Tax	(32,854,782)	(20,733,145)
Excess Provision Reversed	NIL	NIL
Provision for Deferred Tax – Asset	44,921	44,289
Provision for Fringe Benefit Tax	NIL	NIL
Profit / (Loss) after Tax	(32,810,491)	(20,688,856)
Add: Deferred Tax Provision No Longer Req'd	NIL	NIL
Add: Balance Brought Forward	(56,745,847)	(36,056,991)
Balance Carried Over to Balance Sheet	(89,556,339)	(56,745,847)
EPS Basic & Diluted	(1.91)	(1.20)
Weighted Average number of Shares	17,218,759	17,218,759

OPERATIONS AND PERFORMANCE

During the year under review, the company incurred a loss of Rs.32.81 million compared to a loss of Rs. 20.69 million in the previous year. The Company had focused on developing strategy of new business activities to be undertaken and restructuring of its management and activities during the year and did not undertake any major Software development programme. A critical review of all accounts was done and as a result of such review Rs. 31.11 million were written off. The company also incurred loss in its investment portfolio due to highly volatile conditions

prevailing in the Security market. The company is considering entering into the new businesses discussed under Management Discussion and Analysis report. The performance of the company is expected to improve during the years to come with increasing efforts being made in the direction of improving the working efficiency and continued lookout for new opportunities in the field of Information Technology.

DIVIDEND

Your directors do not recommend any dividend as there was a loss during the year under review.

PUBLIC DEPOSITS AND LOANS/ ADVANCES

The Company has not accepted any public deposits during the financial year.

The particulars of loans/ advances and investment in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the company pursuant to Clause 32 of the listing agreement with the company, are furnished separately.

DIRECTORS

Mr. Veeramohan Arunasalam and Mr. Gunasageren Nadeson Directors of the company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers themselves for reappointment.

Mr. Rajendra Jain was appointed as an additional director on 8th February 2011 in terms of Section 260 of the Companies Act, 1956. He holds office up to the date of the ensuing Annual General Meeting to be held on 30th September, 2011. The requisite notices together with necessary deposits have been received from members pursuant to section 257 of the Companies Act, 1956 proposing appointment of Mr. Rajendra Jain as director liable to retire by rotation.

Mr. Shreyas Srenik Shah was appointed as an additional director on 14th May 2011 in terms of Section 260 of the Companies Act, 1956. He holds office up to the date of the ensuing Annual General Meeting to be held on 30th September, 2011. The requisite notices together with necessary deposits have been received from members pursuant to section 257 of the Companies Act, 1956 proposing appointment of Mr. Shreyas Srenik Shah as director liable to retire by rotation.

AUDITORS

M/s Siddharth Mehta, Chartered Accountant, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and is eligible for reappointment. The Company has obtained confirmation that if appointed it would be in conformity with the provisions of section 224(1B) of the Companies Act, 1956 and will be within the limits specified therein.

AUDITORS REPORT

The notes on accounts are self explanatory to the comments made by the Auditors in their Report and therefore do not call for any further explanations.

LISTING

The shares of the company are listed in Bombay Stock Exchange. The company is yet to receive Listing confirmation of 77, 44,760 equity shares issued on Preferential basis for acquisition and merger of three companies viz, Elan Integrated Systems Pvt. Ltd., R3 Ventures Pvt. Ltd. and Millennium E- soft Solutions. Efforts are continuing to have those listed.

REGISTERED OFFICE

Registered office of the Company has been shifted to

No. 71, Nehru Nagar Industrial Estate
2nd Link Street, Kottivakkam,
Chennai – 600 041

CORPORATE GOVERNANCE

Your Company has always striven to incorporate appropriate standards for good corporate governance. The company's philosophy of Corporate Governance is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the investors and other Statutory Authorities to whom these Reports are addressed to. A separate report on Corporate Governance is attached as a part of the Annual Report of the Company.

The Certificate from the company's Auditors confirming compliance of conditions on Corporate Governance as stipulated under clause 49 of the Listing Agreement of the Stock Exchange is annexed with this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding conservation of energy and technology absorption as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to your company. There were no foreign exchange earnings and outgo during the financial year.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby declare:

- i. that in preparation of accounts, applicable accounting standards have been followed or where departure has been made, explanation relating to material departures;

- ii. that directors have selected such accounting policies and applied them and made judgments and estimates that are reasonable and prudent to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii. that Directors have taken proper and sufficient care for 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
- iv. that the directors have prepared Annual Accounts on a Going Concern basis.

COMPANY SECRETARY

The appointment of Whole time Company Secretary is under consideration of the Company. The company has been availing services of practicing company secretary from time to time to ensure compliance of the provisions of the applicable acts and statutes. Also the Annual Return of the Company is being certified by practicing company secretary from year to year and the company is also taking certifications from them for Stock Exchange Compliances.

PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE ACT

None of the employees have received remuneration in excess of the sum prescribed u/s 217(2A) of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate section on Management Discussion and Analysis Report forming part of the Annual report is attached.

ACKNOWLEDGMENT

Your directors wish to place on record their deep appreciation of the dedication and commitment of employees to the operation of your company during the year. Your directors also express their sincere gratitude to the bankers, consultants, Auditors, customers and the shareholders for their continued patronage and cooperation.

FOR AND ON BEHALF OF THE BOARD

N.K.Premanandhan
Director

Rajendra Jain
Director

Date: 0/09/2011

Place: Chennai

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Corporate governance is the application of best management practices, compliance of laws and adherence to ethical standards, transparency to achieve Company's objectives. The company is committed to the principles of good corporate governance

2. BOARD OF DIRECTORS

The composition of the board and category of the directors are given in table below. During the financial year 2010 -11 five board meetings were held on April 30, 2011, August 14, 2011, September 7, 2010, October 30, 2010, and February 8, 2011.

Name	Category	Board meetings attended	Last AGM attended	Other Directors hip	Committee Membership (other than OMNI)	Committee Chairmanship (other than OMNI)
N. K. Premanandhan	Executive	5	YES	NIL	NIL	NIL
Rajendra Jain	Executive	1	NA	NIL	NIL	NIL
S. Sailakshmi	Independent	5	YES	NIL	NIL	NIL
V.M. Arunasalam	Independent	3	YES	NIL	NIL	NIL
G. Nadeson	Independent	3	YES	NIL	NIL	NIL

The composition of the Board having two executive directors and three independent directors is in conformity with the stipulation of clause 49 of the Listing Agreement with Bombay Stock Exchange.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE

Major terms of reference of Audit Committee are :

- (i) Effective supervision of the transparent financial reporting process, disclosure of its financial information, ensuring compliance with established accounting standards, policies, procedure and statutory regulations.
- (ii) Evaluate adequacy of internal control system and its effectiveness and recommend appropriate measures as deemed fit.

- (iii) Reviewing the financial results of the company each quarter/year before the same are placed at the board meeting for approval.
- (iv) Provide an avenue for effective communication between management, statutory auditors and the Board of Directors.

Composition and Attendance

Name of the Directors	No. of Meetings attended
S. Sailakshmi Chairperson	4
V. M. Arunasalam Independent Director	4
N. K. Premanandhan Executive Director	4

During the year ended March 31, 2011 four meetings of the Audit Committee were held on April 30, 2011, August 14, 2011, October 30, 2010, and February 8, 2011.

The company derived considerable benefits from the deliberations of the Audit committee.

B. REMUNERATION COMMITTEE

The committee comprises of following three directors. The committee met once during the year and all members attended the meeting.

Name of the Directors	No. of Meetings attended
V. M. Arunasalam Chairperson	1
N. K. Premanandhan Executive Director	1
G. Nadeson Independent Director	1

C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The company and its Registrar and Share Transfer Agent (RTA) attend to all grievances of the shareholders and investors. The committee oversees the performance of the RTA and specially looks into redressal of shareholders/investors complaints relating to delay in transfer of shares, non receipt of shares etc and recommends measures to improve the Shareholders/Investors services.

The committee met four times during the year during the year on April 30, 2011, Aug 14, 2011, Oct 30, 2010 and Feb 8, 2011.

Composition and Attendance

Name of the Directors	No. of Meetings attended
S. Sailakshmi Chairperson	4
V. M. Arunasalam Independent Director	4
G. Nadeson Independent Director	3

During the year no complaints have been received and as a procedure no complaint remains pending / unattended for more than 30 days.

Mr. N. K. Premnandhan, Director is the Compliance Officer of the company.

D. GENERAL BODY MEETING

Particulars of the Annual General Meeting held during the last three years are as under:

Year	Date	Time	Venue
2009 – 10	30.09.2010	10.00 AM	Nalwar Thirumana Maligai 136(48) S.R.P.Koli Street Agaram Chennai – 600082
2008 - 09	29.09.2009	9.30 AM	39, North Osman Road Basement Building, T. Nagar Chennai – 600017
2007 - 08	29.09.2008	9.30 AM	Ground Floor, A.S Corporate House, No. 307, Poonamallee High Road, Kilpauk, Chennai - 600010

No Special Resolution was passed during the last three Annual general meetings. No Extraordinary General Meeting was held during the last financial year. No resolution was passed during last financial year by postal ballot. As of now there is no proposal of passing any resolution through Postal ballot.

E. DISCLOSURES

There were no materially significant related party transactions with the promoters, directors or the management, subsidiaries or relatives that have potential conflict with the interests of company at large.

The company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

F. COMPLIANCES

The Board reviews periodically compliance reports required under all laws and regulations applicable to the company.

The company has complied with the mandatory requirements of the code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and has submitted all quarterly reports in the prescribed format to the Exchange during the year. The company has adopted the non mandatory requirement with regard to setting up of the remuneration committee.

The Statutory Auditors of the company have certified that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors Report.

CEO/CFO certificate to the Board as required under Cause 49(v) of the Listing Agreement annexed herewith forms part of this report.

G. MEANS OF COMMUNICATION

The quarterly unaudited financials and the annual audited results are sent forthwith to the Stock Exchange in the prescribed format for uploading in their website. The results are also published in a National English daily and a local language daily news paper. Quarterly results are not sent to shareholders.

H. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report forming part of the Annual Report is attached.

I. GENERAL SHAREHOLDERS INFORMATION

A separate section on above is annexed to form part of Annual Report.

FOR AND ON BEHALF OF THE BOARD

N.K.Premanandhan
Director

Rajendra Jain
Director

Date : 05/09/2011

Place : Chennai

GENERAL INFORMATION

Annual general Meeting	: 19 th AGM
Date	: 30 th September, 2011
Day	: Friday
Time	: 11.00 AM
Venue	: Asha Nivas, 9, Rutland Gate, 5 th Street, Nungambakkam, Chennai – 600 006
Financial Year	: Ended on 31 st March 2011
Book Closure Dates	: 26/09/11 to 30/09/11 (both days inclusive)
Listing on Stock Exchange	: Bombay Stock Exchange
Scrip Code	: 526483
Dematerialisation	: Admitted in NSDL and CDSL No. of demat shares 90,70,930 52.68% of total Shares
ISIN no.	: INE 9369B01019 – Fully paid INE 9369B10107 - Partly paid
Registrar & Transfer Agent (RTA)	: M/S Cameo Corporate Services Ltd 1, Subramaniam Road Club House Road, Mount Road Chennai – 600 002
Address for Communication	: 71, Nehru Nagar Industrial Estate 2 nd Link Street, Kottivakkam, Chennai – 600 041

SHARE TRANSFER SYSTEM

The company and its Registrar and Share Transfer Agent (RTA) attend to all activities relating to transfer of shares. Transfer applications along with relevant documents are required to be sent to the company or directly to RTA and the same is processed within 15 days of receipt if all documents are proper and no further clarification is required. In case of demat shares transfers are processed by CDSL/NSDL through respective depository participants.

OMNI AXS SOFTWARE LIMITED

MARKET PRICE DATA

Details of monthly highest and lowest prices of the equity shares of the company at Bombay Stock Exchange during financial year 2010 – 11 are as under:

MONTH	HIGH PRICE	LOW PRICE	No. Shares Traded
Apr - 2010	1.47	1.12	25960
May - 2010	1.59	1.30	62996
Jun - 2010	2.28	1.28	2064623
Jul - 2010	3.40	2.17	1841450
Aug - 2010	2.66	1.70	287090
Sep - 2010	2.59	1.78	191974
Oct - 2010	2.72	1.80	99016
Nov - 2010	2.89	2.18	228590
Dec - 2010	2.80	2.29	202668
Jan - 2011	3.10	2.07	244843
Feb - 2011	4.52	2.49	578718
Mar - 2011	4.96	2.48	968055

DISTRIBUTION SCHEDULE AS ON 31.03.2011

No. of Equitiy shares held	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Upto 5000	2,561	60.0187	7,39,162	4.2927
5001 - 10000	813	19.0531	7,24,691	4.2087
10001 - 20000	371	8.6946	6,17,010	3.5833
20001 - 30000	145	3.3981	3,79,755	2.2054
30001 - 40000	65	1.5233	2,42,819	1.4102
40001 - 50000	97	2.2732	4,66,970	2.7119
50001- 100000	106	2.4841	8,31,097	4.8266
100001& above	109	2.5544	1,32,17,255	76.7607
TOTAL	4,267	100.0000	1,72,18,759	100.0000

SHARE HOLDING PATTERN AS ON 31ST MARCH, 2011			
Category	Shareholders	Shares	%
A. Promoters holdings			
1. Promoters			
Indian Promoters	1	8,06,300	
Foreign Promoters	-	---	4.68
2. Persons acting in Concert	-	-	
Sub-Total	1	8,06,300	4.68
B. Non Promoters Holdings			
3. Institutional Investors			
a) Mutual Funds and UTI			
b) Banks, Financial Institutions, Insurance Companies, Central/ State Govt/ Non-Govt Institutions			
c) FII's			
Sub-Total	0	0	0
C. Others			
a) Private Bodies Corporate			
b) Clearing Members			
c) Indian Public	95	64,67,081	
d) NRI/OCBs	4	5,51,862	
e) Any other (Please Specify)	4161	93,84,541	
Shares in Transit	6	8,975	
Forfeited Shares			
Foreign National			
Sub-Total	4266	1,64,12,459	95.32
Grand Total	4267	1,72,18,759	100.00

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

According to the latest numbers made available by Central Statistical Organisation (CSO), India's GDP at factored cost at constant prices registered an increase of 8.5 percent in the year 2010-11. While overall GDP growth is projected to grow at 8.00 – 8.50% in 2011- 12, Service Sector is estimated to grow at a rate of 9.2%.

INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

The growth in Software Services sector continued to be broad based despite general recession. The phenomenal and ever rapid growth of internet and its influx in almost every walk of life has opened up vast opportunities in terms of providing platform and other facilities like "E learning on net", "I – tuition" ,"City net guide" "Social Media" etc.

BUSINESS PLAN AND STRATEGIES

Company plans to diversify and venture into these fields. Projects like "E learning on net", "I – tuition" have tremendous social impact in spreading education to the lower strata of the society at a reasonable cost and help them to achieve their dream. Vast population in India will continue to have these demands and the same is likely to grow in future. Company also proposes to enter into Trading of Computer hardware which offers good scope of generating revenue with minimum capital outlay and risk.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The system of internal control has been established to provide reasonable assurance of safeguarding assets, maintenance of proper accounting records in compliance with applicable Laws and Regulations to ensure reliability of financial statements and reports. The Statutory Auditors and the Audit Committee review all financial statements and ensure adequacy of internal control systems.

RISK MANAGEMENT

Risk evaluation and management is an ongoing process in the company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Mr. Rajendra jain and Mr. Shreyas S Shah were inducted in the Board, each one having experiences to guide the company in growth path. Your company continues to have cordial relations with its employees.

CAUTIONARY STATEMENT

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and prices conditions in the domestic and overseas markets in which the company operates/ going to operate, changes in government regulations, tax laws and other statutes and other incidental factors.

FOR AND ON BEHALF OF THE BOARD

N.K.Premanandhan
Director

Rajendra Jain
Director

Date: 05/09/2011
Place: Chennai

DECLARATION OF CODE OF CONDUCT

Dear Sirs,

This is to confirm that the Board has laid down a code of conduct for all Board of Directors and senior management of the Company. The said code has been communicated to the Directors and members of Senior Management. There is no website of the company.

It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2011 as envisaged in Clause 49 of the Listing Agreement with stock exchange.

FOR AND ON BEHALF OF THE BOARD

N.K.Premanandhan
Director

Rajendra Jain
Director

Date: 05/09/2011
Place: Chennai

OMNI AXS SOFTWARE LIMITED

AUDITORS CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

REGISTRATION NO: OF THE COMPANY: 18-022439

NOMINAL CAPITAL: Rs. 20,00,00,000/-

**TO
THE MEMBERS OF OMNI AX`S SOFTWARE LIMITED
CHENNAI**

We have examined all the relevant records of M/s. OMNI AX`S SOFTWARE LIMITED for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with BSE for the financial year ended on 31st March, 2011. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the

Company has complied with the applicable mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and the company has adopted the non-mandatory requirements with regard to setting up of a remuneration committee.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agents of the Company have maintained records to show Investors' Grievances against the Company and have certified that as on 31st March, 2011 there were no investor grievances remaining unattended / pending for a period exceeding one month.

Sd/-

SIDDHARRTH MEHTA

Chartered Accountant

Membership No. 207043

Date: 05.09.2011

Place: Chennai

CEO / CFO Certification

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2011, we N. K. Premanandhan and Rajendra Jain Directors certify that

- (a) we have reviewed financial statements and the cash flow statement for the year and that to the best of our 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 affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) to the best of our 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.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to be taken to rectify these deficiencies.
- (d) we 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 we 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.

FOR AND ON BEHALF OF THE BOARD

N.K.Premanandhan
Director

Rajendra Jain
Director

Date: 05/09/2011

Place: Chennai

AUDITOR'S REPORT TO THE MEMBERS OF OMNI AX'S SOFTWARE LIMITED

I have audited the attached Balance Sheet of **M/s. Omni Ax's Software Limited**, ("the Company") as at **31st March 2011** and 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) Amendment Order, 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ("the Act"), I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Attention is invited to item number 13 of schedule 16 forming part of the financial statements regarding non confirmation of balances of loans and advances, sundry debtors and sundry creditors. Consequently the net current assets and Loans and Advances would change accordingly in the event of any differences in these accounts. The Company has written off Rs.2,26,62,673 towards Land Advance and Rs.75,56,725 towards work in Progress, and Rs.8,74,379 towards Rental Advance in this year.

3. Further to my comments in the Annexure referred to above, I report that:
 - i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - ii) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of accounts;
 - iv) In my 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, as on 31st March 2011 and taken on record by the Board of Directors, I report that none of the directors is disqualified as at 31st March 2011 from being appointed as a

director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

- vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information 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 as at 31st March 2011;
 - b) In the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date; and
 - c) In the case of the cash flow statement, of the cash flows for the year ended on that date. The Cash Flow Statement has been prepared by the company in accordance with the requirements of Clause 32 of the listing agreements entered into with the Stock Exchange.

Place: Chennai
Date: 05/09/2011

SIDDHARRTH MEHTA
Chartered Accountant
Membership No.207043

ANNEXURE TO THE AUDITOR`S REPORT

Annexure referred to in my report to the members of M/s.Omni Ax's Software Limited ("the Company") for the year ended 31st March 2011.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. All the assets are physically verified by the management during the year and there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c. None of the fixed assets have been disposed off during the year.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business. 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 the business. The company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification stocks, as compared to book records.
3. The Company has not taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the order is not applicable.
4. In my opinion and according to the information and explanations given to me there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal controls.
5. The company has not any entered into any contracts or arrangements attracting the provisions of section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v) of the order is not applicable
6. The company has not accepted any deposit from the public and hence provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 are not applicable. Accordingly, paragraph 4(vi) of the order is not applicable
7. The Company does not have a formal internal Audit System; however, in our opinion, and according to the information and explanation given to us, there are adequate

internal control procedures commensurate with the size of the company and the nature of its business.

8. I am informed that the company has not been required by the Central Government to maintain cost records under section 209(1) (d) of the Companies Act, 1956. Accordingly, paragraph 4(viii) of the order is not applicable
9.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been generally regular in depositing the undisputed statutory dues including Income tax, Service Tax and other applicable statutory dues with the appropriate authorities.
 - b. According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, service tax and other applicable statutory dues as at 31st March 2011 were outstanding for a period of more than six months from the date they became payable.
10. The company has accumulated losses at the end of the financial year which are less than fifty percent of its net worth. The company has incurred cash losses during the financial year and in the immediately preceding financial year.
11. The company has not taken loan from Bank. Accordingly paragraph 4(xi) of the Order is not applicable.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4(xii) of the Order is not applicable.
13. The company is not a chit fund / nidhi/ mutual benefit fund/ society. Accordingly paragraph 4(xiii) of the Order is not applicable.
14. The company is not dealing or trading in shares, securities, debentures and other investments. The Investments in shares, securities, debentures and other forms of investments were held in the name of the company.
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly paragraph 4(xv) of the Order is not applicable
16. The company has not taken any term loan during the year covered by this audit. Accordingly paragraph 4 (xvi) of the Order is not applicable.
17. According to the information and explanations given to me and on an overall examination of the balance sheet of the company, in my opinion that the company has not raised any funds on short-term basis for long term Investments. Accordingly paragraph 4 (xvii) of the order is not applicable. All assets have been funded by the shareholder's funds.
18. The company has not made any preferential allotment of shares to any parties or companies during the financial year. Accordingly paragraph 4 (xviii) of the order is not applicable.

19. The company has not issued any debentures during the period covered by my audit. Accordingly paragraph 4 (xix) of the Order is not applicable.
20. The company has not raised any money by public issue during the financial year. Accordingly paragraph 4(xx) of the Order is not applicable.
21. According to the information and explanations given to me, I report that no material fraud on or by the company has been noticed or reported during the course of audit.

Place: Chennai
Date : 05/09/2011.

SIDDHARRTH MEHTA
Chartered Accountant
Membership No.207043

OMNI AXS SOFTWARE LIMITED

BALANCE SHEET AS AT 31.03.2011

Particulars	SCH	As at March 31,2011	As at March 31, 2010
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	172,187,590	172,187,590
Reserves & Surplus	2	46,454,253	46,454,253
LOAN FUNDS			
Secured Loans	3	-	-
Unsecured Loans	4	150,000	-
Differed Tax Liability (Net)	5	1,678,513	1,722,804
		220,470,356	220,364,647
APPLICATION OF FUNDS			
Goodwill on Amalgamation	6	53,762,872	53,762,872
FIXED ASSETS			
Gross Block		4,331,592	4,331,592
Less: Depreciation		3,367,239	3,127,313
Add: Depreciation Adjustment		91,821	91,821
Net Block		1,056,174	1,296,100
Software Development In Progress (at Cost)		-	8,106,725
		1,056,174	9,402,826
INVESTMENTS			
	7	48,500,000	3,055,511
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		3,000,000	-
Sundry Debtors	8	476,000	476,000
Cash and Bank Balances	9	2,353,857	3,339,780
Loans and Advances	10	33,667,202	95,420,976
Sub Total		39,497,059	99,236,757
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	11,564,000	1,410,880
Provisions	11	338,090	428,287
NET CURRENT ASSETS		27,594,969	97,397,591
Miscellaneous Expenditure (to the extent not written off or adjusted)	12	-	-
Profit & Loss Account		89,556,339	56,745,847
		220,470,356	220,364,647
Significant Accounting Policies & Notes to Accounts	16	-	

As per my report of Even date
For Sidharth Mehta & Co
Chartered Accountant

For and on behalf of board of directors
For Omni Ax's Software Limited

(Siddharth Mehta)
Proprietor.
Membership No.207043

N.K.Premanandhan
Director

Rajendra Jain
Director

Place: Chennai
Date : 05/09/2011

OMNI AXS SOFTWARE LIMITED

Profit and Loss Account for the Year ended March 31, 2011

Particulars	Sch	As on March 31, 2011 Rs.	As on March 31, 2010 Rs.
INCOME			
Sales (Software)		600,000	61,639,423
Other Income	13	2,275,065	11,139,497
		2,875,065	72,778,920
EXPENDITURE			
(Increase)/Decrease in Inventories		(3,000,000)	-
Cost of Software Purchased	14	3,550,000	59,122,000
Administrative Expenses	15	34,939,921	33,801,853
Depreciation	6	239,926	239,926
Miscellaneous Expenditure Written off		-	348,286
		35,729,847	93,512,065
PROFIT/ (LOSS) BEFORE TAX		(32,854,782)	(20,733,145)
Provision For Deferred Tax - Asset		(44,291)	(44,289)
PROFIT / (LOSS) AFTER TAX		(32,810,491)	(20,688,856)
Add: Balance Brought Forward		(56,745,847)	(36,056,991)
Balance Carried to Balance sheet		(89,556,339)	(56,745,847)
Earnings Per Share - Basic & Diluted (Rs.)		(1.91)	(1.20)
Weighted Average Number of Shares		17,218,759	17,218,759
Notes to Accounts	16		

As per my report of Even date
For Sidharth Mehta & Co
Chartered Accountant

(Siddharth Mehta)
Proprietor.
Membership No.207043

For and on behalf of board of directors
For Omni Ax's Software Limited

N.K.Premanandhan
Director

Rajendra Jain
Director

Place : Chennai
Date : 05/09/2011

OMNI AXS SOFTWARE LIMITED

Schedules forming part of Accounts

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule 1		
SHARE CAPITAL		
Authorized:-		
2,00,00,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
Issued and Subscribed & Paid Up:-		
1,72,18,759 Equity Shares of Rs.10/- each	172,187,590	172,187,590
	172,187,590	172,187,590
Schedule 2		
RESERVES & SURPLUS		
Shares Forfeited Account	2,504,505	2,504,505
Share Premium Account	43,949,748	43,949,748
	46,454,253	46,454,253
Schedule 3		
SECURED LOANS		
	-	-
Schedule 4		
UNSECURED LOANS		
Vab capital Advisors Ltd (Previously Regent Finance)	150,000.00	-
	150,000.00	-
Schedule 5		
DEFERRED TAX LIABILITY		
Opening Balance	1,722,804	1,767,093
Less:Deferred Tax (Asset) / Liability - Depreciation	(44,291)	(44,289)
Closing Balance - Net Deferred Tax Liability	1,678,513	1,722,804

OMNI AXS SOFTWARE LIMITED

Schedules forming part of Accounts

SCHEDULE 6 : FIXED ASSETS

Descriptions	Gross Block			Depreciation / Amortization - SLM Ba					Net Block		SLM
	As at 01.04.2010	Additions	Deletions	As at 31.03.2011	Upto 01.04.2010	For the Period	Deletion	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010	
Office Equipments	2,168,523	-	-	2,168,523	1,236,775	103,004	-	1,339,779	828,744	931,748	4.75
Furniture & Fixtures	2,163,069	-	-	2,163,069	1,890,537	136,922	-	2,027,459	135,610	272,532	6.33
Add: Difference in Dep	-	-	-	-	-	-	-	-	91,821	91,821	
	4,331,592	-	-	4,331,592	3,127,312	239,927	-	3,367,239	1,056,174	1,296,101	
Work in Progress (Software Development)	4,003,485	-	4,003,485	-	-	-	-	-	-	4,003,485	
Computer Under Installation	4,103,240	-	4,103,240	-	-	-	-	-	-	4,103,240	
	8,106,725	-	8,106,725	-	-	-	-	-	-	8,106,725	
TOTAL	12,438,317	-	8,106,725	4,331,592	3,127,312	239,927	-	3,367,239	1,056,174	9,402,826	

Particulars	As at March 31, 2011	As at March 31, 2010
Schedule 7		
INVESTMENTS		
Investments In Quoted Shares - Fully Paid		
a) Telesys Software Limited Cost of 2623800 (P.Y.Nil) Equity Shares of Rs.10/ Each	-	2,755,510
b) Shapre Infotech Limited	-	1
Investments in Unquoted Shares - Fully Paid		
a) Jemi Share Brokers Pvt Ltd Cost of 190000 shares (partly paid) Rs.50Each	9,500,000	-
b) Goldfin Capital Pvt Limited Cost of 30000 (P.Y 30000) Equity Shares of Rs.10/- Each	-	300,000
c) Mardia Sons Holdings(P) Ltd Cost of 78000 Shares(partly paid) Rs.50/- Each	39,000,000	-
	48,500,000	3,055,511
Schedule 8		
SUNDRY DEBTORS		
Debts Outstanding for a Period Exceeding Six Months		
Considered Good	-	-
Considered Doubtful	476,000	476,000
	476,000	476,000

OMNI AXS SOFTWARE LIMITED

Particulars	As at March 31 2011	As at March 31 2010
Schedule 9		
CASH AND BANK BALANCES		
Cash on hand	1,678,919	797,718
Bank Balance -		
- With Scheduled Banks on Current		
Accounts	674,938	1,792,062
- In Fixed deposit	-	750,000
	2,353,857	3,339,780
Schedule 10		
LOANS AND ADVANCES		
Recoverable in cash or kind for value to be Received	29,732,923	90,831,080
Electricity Deposit	-	3,000
Rental Advance	-	874,379
Telephone Deposit	-	3,000
Sales Tax Deposit	-	20,000
Tax Deducted at Source		
For the Year 2004-2005	198,238	198,238
For the Year 2005-2006	447,609	447,609
For the Year 2006-2007	670,767	670,767
For the Year 2007-2008	804,699	804,699
For the Year 2008-2009	1,181,872	1,181,872
For the Year 2009-2010	386,332	386,332
For the Year 2010-2011	244,762	-
	33,667,202	95,420,976
Note: Advances recoverable in cash or kind or for value to be received include Intercorporate Loans & Advances		

OMNI AXS SOFTWARE LIMITED

Particulars	As at March 31 2011	As at March 31 2010
Schedule 11		
CURRENT LIABILITITES		
Total Outstanding Dues to Creditors other than SSIs	11,564,000	1,410,880
	11,564,000	1,410,880
PROVISIONS		
Audit Fees Payable	27,575	25,017
Vat Payable	-	96,697
Tds Payable	310,515	306,573
	338,090	428,287
Schedule 12		
MISCELLANEOUS EXPENDITURE		
Opening Balance	-	348,286
Less: Written off during the year	-	348,286
Closing Balance	-	-
Schedule 13		
Other Income		
Interest Received	2,190,065	4,739,497
Profit on Sale of Computer Under Installation (STCG)	-	6,400,000
Profit on Sale of Shares - Short Term	85,000	-
	2,275,065	11,139,497
Schedule 14		
Cost of Software		
Cost of Software Packages	3,550,000	59,122,000
	3,550,000	59,122,000

OMNI AXS SOFTWARE LIMITED

Particulars	As at March 31 2011	As at March 31 2010
Schedule 15		
Administrative Expenses		
Advertisement Expenses	10,000	9,000
Auditor Remuneration	27,575	27,575
Bad Debts	22,662,673	-
Bank Charges	2,535	1,641
CDSL Fees	34,728	-
Consultancy Fees	14,000	19,840
Discount Allowed	-	400,000
Donation	-	100,000
Director's Remuneration	35,000	-
Electricity Charges	60,951	78,764
Interest Paid	-	1,954
Listing Fees	16,645	-
Loss on Sale of Shares - Long Term	1,188,850	-
Loss on Sale of Shares - Short Term	-	27,679,300
Maintenance Charges	-	98,182
Misc Expenses	76,168	115,870
Office Expenses	79,658	114,946
Office Maintenance	75,542	125,307
Postage & Telephone	46,090	55,087
Printing & Stationary	66,791	43,138
Rent	147,240	1,947,500
Repairs & Maintenance	46,306	44,406
ROC Fees	2,500	1,000
Salaries & Bonus	1,652,450	2,521,650
Share Transfer Agent Fees	22,060	26,472
Staff Welfare Expenses	69,109	96,591
Telephones	44,010	42,200
Travelling & Conveyance	107,936	251,430
Deposit at Pondicherry - Written Off	20,000	-
Rental Advance - Written Off	874,379	-
Software Development in Progress - Written Off	7,556,725	-
	34,939,921	33,801,853

As per my report of Even date
For Sidharth Mehta & Co
Chartered Accountant

(Siddharth Mehta)
Proprietor.
Membership No.207043

For and on behalf of board of directors
For Omni Ax's Software Limited

N.K.Premanandhan
Director

Rajendra Jain
Director

Place: Chennai

Date : 29/08/2011

SCHEDULE – 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

a) Basis of preparation of financial statements

The Financial Statements have been prepared in accordance with the generally accepted accounting principles on accrual basis and comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 as adopted consistently by the company. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The estimates and assumption used in these financial statements are based upon the management's evaluations of the relevant facts and circumstances as of the date of the financial statements.

b) Revenue recognition

Revenue from software development is recognized based on software developed or time spent in person hours or person weeks and billed to customers as per the terms of specific contracts.

Revenue from software development services comprises income from time and materials and fixed price contracts. Revenue is recognized in accordance with the terms of the contract with the customer. Revenue with respect to time-and material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the percentage of completion method. Income from services is recognized on accrual basis. Service Income do not include Service Tax which is treated as a liability. Income from interest on loans forming part of other income is recognized on accrual basis.

c) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation.

d) Depreciation

Depreciation on fixed assets is provided on **Straight Line Basis** at the rates prescribed in schedule XIV to the Companies Act, 1956. The expenditure incurred towards the acquisition of Assets for Research and Development have been capitalized and no depreciation has been provided for. Depreciation is provided on Assets sold up to the point of sale. Depreciation on Additions to fixed assets are provided on pro rata basis from the date of purchase up to 31st march.

e) Taxes on Income

The Company will make necessary provision for Income Tax, taking into account the allowances and exemptions under the Income Tax Act, 1961. Deferred Tax resulting from timing difference between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

f) Investments

Investments are classified as long-term investments and current investments. Long-term investments are stated at cost and any decline other than temporary, in the value of such investments is charged to the Profit and Loss Account. Current investments are stated at lower of cost and market value. All Investments are held in the name of the company. As on date of the Balance Sheet all investments made by the companies are long term investments only.

g) Impairment

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a Pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

2. Notes on Accounts

1. Miscellaneous Expenditure represents preliminary expenses amortized over a period of ten years and public issue expenses to be written off over a period of ten years. The Filing fees to ROC in authorized capital which is not considered as revenue expenditure and is amortized over the period of five years.
2. The company is engaged in development of software, which as per Accounting Standard – 17 is considered as the only reportable business.
3. Deferred Tax: In accordance with Accounting Standard 22 (Accounting of Taxes on Income) issued by the Institute of Chartered Accountants of India Deferred Tax liability/ (Asset) attributed to timing difference relating to depreciation has been recognized at (Rs.44,291/-) as on 31.03.2011 (as on 31.03.2010 Rs.44,289 /- Deferred Tax Asset).

OMNI AXS SOFTWARE LIMITED

Depreciation as per Books	Rs. 2,39,927
Depreciation as per IT Act	Rs. 96,589
Tax on the Timing Difference	Rs. 44,291 (Net Deferred Tax)

4. Short Term employee benefits are charged off to the Profit & loss account in the year of rendering of services. The no. of employees were less than 50 during the year under review and hence it is reported that payment of Contribution/ Benefit Plan are not applicable to this Company.
5. Related Party Disclosure: As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of transaction with the related parties are given below:

Name of the Related Party	Balance as on 31 st March, 2011	Maximum outstanding during the year
Nil	Nil	Nil

Key Management Personnel (KMP):

N.K.Premanandhan, Director Whole time Director

Nature of Transaction	Nature of Relationship	Amount
Directors Remuneration	KMP	NIL
Sitting Fees	KMP	NIL

Rajendra Jain, Director Whole time Director

Nature of Transaction	Nature of Relationship	Amount
Directors Remuneration	KMP	35,000
Sitting Fees	KMP	NIL

6. Auditors Remuneration:

	2010-2011	2009-2010
	Rs.	Rs.
Audit Fees (Excluding Service Tax)	20,000	20,000
Income Tax Matters	5,000	5,000
	25,000	25,000

7. Contingent Liabilities - NIL

8. Expenditure in Foreign Currency – NIL
9. CIF Value of imports – Capital Goods – NIL

10. Earnings Per Share:

Earning per share is calculated by dividing the profit attributable to the equity shareholders by the number of equity shares outstanding during the year.

	2010-11	2009-10
Profit before Taxation (Rs.in Lakhs)	(328.53)	(207.33)
Weighted No. of Equity Shares o/s	17218759	17218759
Earning Per Share (Rs.)	(1.91)	(1.20)
Face Value per Share (Rs.)	10	10

11. The company is engaged in the development of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sale and information as required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.
12. Diminution in value of investments: The Company holds investments in Private Companies and their share value couldn't be ascertained, hence no Diminution in value of investments is provided for in the Books.
13. Confirmation of balances in respect of certain Debtors, Creditors, HSBC Current A/c & Loans & Advances are not made available. If there be any changes this will have an impact on the Balance Sheet figures.
14. No Provision for taxation has been made as the company had incurred losses.
15. Previous Year's figures have been regrouped or restated wherever necessary to confirm to the current year's presentation.

As per my report of Even date
For Sidharth Mehta & Co
Chartered Accountant

(Siddharth Mehta)
Proprietor.
Membership No.207043

For and on behalf of board of directors
For Omni Ax's Software Limited

N.K.Premanandhan
Director

Rajendra Jain
Director

Place: Chennai
Date : 05/09.2011

OMNI AXS SOFTWARE LIMITED

CASH FLOW STATEMENT	2010-2011 (Rs.in Lakhs)	2009-2010 (Rs.in Lakhs)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/Loss After Tax And Extra Ordinary Items	(328.55)	(207.33)
Adjustment for:		
- Depreciation	2.40	2.40
- Miscellaneous expenses written off	-	3.48
- Loss on Sale of Shares	11.89	276.79
- Profit on Sale of Shares	(0.85)	(64.00)
- Other Income	(21.90)	(47.39)
Operation Profit Before Working Capital Changes	(337.01)	(36.05)
Adjustment for:		
- Trade Receivables & Other Assets	617.54	(13.65)
- Increase in Inventories	(30.00)	-
- Current Liabilities & Provisions	100.63	(249.53)
- Interest Received	21.90	47.39
Net Cash From Operating Activities	373.06	(251.85)
B: CASH FLOW FROM INVESTING ACTIVITIES:		
- Sale of Fixed Assets	81.92	207.00
- Sale of Investments	18.66	32.46
- Purchase of Shares	(485.00)	-
Net Cash used in Investing Activities	(384.42)	239.46
C: CASH FLOW FROM FINANCING ACTIVITIES:		
- Increase In Unsecured Loan	1.50	-
- Decrease In Secured Loan	-	(20.29)
Net Cash From Financing Activities	1.50	(20.29)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS	(9.86)	(32.67)
E. Cash & Cash equivalents at the beginning of the year	33.40	66.07
F. Cash and Cash Equivalents at the end of the year	23.54	33.40

For Omni Ax's Software Limited

Place: Chennai
Date :29/08/2011

N.K.Premanandhan
Director

Rajendra Jain
Director

AUDITORS CERTIFICATE

I have examined the attached Cash Flow Statement of Omni Ax's Software Limited (the Company) for the year ended 31st March 2011. The statement has been prepared by the company in accordance with the requirements of Listing Agreement and is based on and in agreement with the Corresponding Profit and Loss Account and Balance Sheet of the company covered by my report of even date to the members of the company.

For Sidharth Mehta & Co
Chartered Accountant

Place :Chennai
Date :05/09/2011

(Siddharth Mehta)
Proprietor.
Membership No.207043

OMNI AXS SOFTWARE LIMITED

Balance Sheet Abstract and Company's General Business Profile as per Part IV Schedule VI of the Companies Act, 1956.

I. Registration Details	
Registration No.	: 022439
State Code	: 18
Balance Sheet Date	: 31.03.2011
II. Capital Raised during the year (Amount Rs. in Thousands)	
Public Issue	: Nil
Rights Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil
III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)	
Total Liabilities	: 226,078.10
Total Assets	: 226,078.10
Source of Funds	
Paid-up Capital	: 172,187.59
Reserves & Surplus	: 46,454.25
Secured Loans	: 0.00
Unsecured Loans	: 150.00
Deferred Tax Liability (Net)	: 1,678.51
Application of Funds	
Goodwill	: 53,762.87
Net Fixed Assets	: 1,056.17
Capital Work in Progress	: 0.00
Investments	: 48,500.00
Net Current Assets	: 27,594.97
Miscellaneous Expenditure	: 0.00
Accumulated Losses	: 89,556.34
IV. Performance of the Company (Amount Rs. in Thousands)	
Total Income	: 2,875.07
Total Expenditure	: 35,729.85
Profit Before Tax	: (32,854.78)
Profit After Tax	: (32,810.49)
Earnings Per Share (Rs.)	: (01.91)
Dividend Rate (%)	: Nil
V. Generic Names of Principal Products/Services of the Company (as per monetary terms)	
Item Code No.	: N.A.
Product Description.	: Software Development

Place: Chennai
Date ; 05/09/2011

For and on behalf of the Board

N K Premanandhan
Director

Rajendra Jain
Director

OMNI AXS SOFTWARE LIMITED

PROXY FORM

19TH ANNUAL GENERAL MEETING

Reg. Folio No./DP ID & Client ID* _____

I/We _____ of _____

_____ being a Member / Members of OMNI AX'S SOFTWARE LIMITED hereby appoint _____ of

_____ or failing him

_____ of _____

as my /our Proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of Omni Ax's Software Limited to be held on Friday, 30th September, 2011 at 11.00 a.m. at Asha Nivas, 9, Rutland Gate, 5th Street, Nungambakkam, Chennai – 600 006 or any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature(s) of the Shareholder(s)

Signature of Proxy

NOTE: This form must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

*Applicable for investors holding shares in electronic (dematerialized) form.

OMNI AX'S SOFTWARE LIMITED

.71, Nehru Nagar Industrial Estate, 2nd Link street, Kottivakkam, Chennai – 600 041

To be handed over at the entrance of the Meeting Hall

ATTENDANCE SLIP

19th ANNUAL GENERAL MEETING

I hereby record my presence at the **19th ANNUAL GENERAL MEETING** held on Friday, 30th September, 2011 at 11.00 a.m. at Asha Nivas, 9, Rutland Gate, 5th Street, Nungambakkam, Chennai – 600 006.

Reg. Folio No. /DP ID & Client ID* _____

No. of Shares: _____

Full Name of the Shareholder (in block letters)	Signature
Full Name of the Proxy (in block letters)	Signature

BOOK POST

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REGISTERED OFFICE:

No71, Nehru Nagar Industrial Estate,
2nd Link street, Kottivakkam,
Chennai - 600 041