

IX

ANNUAL REPORT

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2000-2001

Datasoft Application Software (India) Limited

BOARD OF DIRECTORS

Chairman
H. J. Shah

Managing Director & CEO
R. M. Bhuta

Directors
C. M. Buch
Chandan Parmar

Bankers
Bank of India

Auditors
M/s. B. L. Eriwal & Co.

Company Law Consultants
M/s. Dholakia & Associates

Registered Office
Casa Mariana,
Laxman Mhatre Marg, Borivli (West),
Mumbai-400 103

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Annual Report 2000 - 2001

DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

Casa Mariana, Laxman Mhatre Marg, Borivli (W), Mumbai-400 103

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED, will be held on Monday, 31st December, 2001 at 4.00 p.m. at Shree Girdharilal Munshilal Jain Sabhagruha, 1st Floor, New Shanti Nagar, Opp. Jain Mandir, Mandpeshwar Road, Borivli (West), Mumbai-400 103 to transact the following business :

A. ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 30th June, 2001 and Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chandan Parmar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
4. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution.

"**RESOLVED** that subject to the provisions of the Companies Act, 1956, Securities contracts Regulation Act, 1956 as amended by the Securities and Exchange Board of India (SEBI) Act, 1992 and the rules framed thereunder, Listing Agreement and all other applicable laws, rules, regulations and guidelines and subject further to such approvals, permissions and sanctions as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include a Committee thereof) to delist the Equity Shares of the Company from the Stock Exchange, Ahmedabad."

"**RESOLVED FURTHER THAT** the Board of Directors (which term shall include a Committee thereof) be and are hereby authorised to do all such acts and things as may be necessary in order to give effect to this resolution including acceptance of any modification and/or conditions which may be suggested or imposed by the said Exchanges and/or other authorities and as may be acceptable to the Board of Directors without any further reference to the Company in general meeting."

BY ORDER OF THE BOARD
For DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

Place : MUMBAI
Date : 6/10/2001

Rajesh M. Bhuta
Managing Director and Chief Executive Officer

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement under Section 173 (2) of the Companies Act, 1956 setting out the material facts in respect of the business Item No. 4 is annexed hereto.
3. The register of members and the Share Transfer Books of the Company will be closed from Thursday 27th December 2001 to Wednesday 1st January 2002, both days inclusive.
4. The identities/signatures of members holding shares in electronic form are liable for verification with the specimen signatures as may be furnished by NSDL and CDSL to the Company. Such Members are advised to bring the identity cards issued by their Depository Participants.
5. The Company's equity shares are listed at the Stock Exchange, Mumbai, and the Stock Exchange, Ahmedabad. The listing fees for these Exchanges have been paid.
6. Equity Shares of the Company is available for trading in dematerialised form (Scripless trading in electronic form) through the Depository participants. Request for dematerialization and transfer of shares may be sent to the Company's Registrars and Share Transfer Agents, Intime Spectrum Registry Private Limited, situate at 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080.
7. Shareholders desiring any information as regards accounts are requested to write in advance to the Company atleast 7 days before the date of meeting to enable the Management to keep the full information ready.
8. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies with them.
9. Members are requested to notify immediately any change of their address to the Company.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**Item No. 4.**

As present equity shares of the Company are listed in the Mumbai Stock Exchange and The Stock Exchange, Ahmedabad. The Shares of Company are hardly traded on the floors of Ahmedabad Stock Exchange. As a part of its cost reduction measures, the Company has proposed this resolution which will enable it to delist all of its securities from the Ahmedabad Stock Exchange at an appropriate time in the future as may be decided by the Board of Directors of your Company .

In line with the SEBI Regulations and the Listing Agreement entered into with the Ahmedabad Stock Exchange, members' approval is being sought by a Special Resolution' for enabling voluntary de-listing of its securities from the Ahmedabad Stock Exchange. The Company's securities will continue to be listed on the Mumbai, Stock Exchange. The de-listing will take effect after all approvals permissions and sanctions are received. The exact date on which de-listing will take effect will be suitably notified at that time.

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The proposed de-listing of the Company's securities from the said Stock Exchange as and when the same take place; will not adversely affect the investors. With the extensive networking of the Stock Exchange, Mumbai and the extension of the BSE terminals to other cities as well, investors have access to on-line dealings in the Company's securities across the country. The bulk of the trading in the Company's Equity Shares in any case takes place on the Bombay Stock Exchange. The investors located in the region of the Ahmedabad Stock Exchange where it is proposed to de-list the Company's securities have access to trade in the securities of the company through the network of the Stock Exchange, Mumbai. The Directors therefore recommend the resolution for your approval

None of the Directors of the Company is, in any way concerned or interested in the resolution.

Your Directors recommend this resolution for your approval.

**BY ORDER OF THE BOARD
For DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED**

Place : MUMBAI
Date : 6/10/2001

Rajesh M. Bhuta
Managing Director and Chief Executive Officer



DIRECTORS' REPORT

**TO
THE MEMBERS OF
DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED.**

The Directors have pleasure in presenting the Ninth Annual Report together with the Audited Accounts for the year ended on 30th June, 2001.

1. FINANCIAL RESULTS

	2000-2001 (12 months) (Rs.inLacs)	1999-2000 (15 months) (Rs. in Lacs)
Sales and other Income	97.35	37.27
Profit before Depreciation	(79.74)	5.72
Divisible Profit	(94.70)	1.70
Dividend	-	-
Retained Profit	(94.70)	1.70

2. DIVIDENDS

Your Directors express their inability to recommend any Dividend for the financial year ended 30th June, 2001.

3. BUSINESS REVIEW AND FUTURE PROSPECTS**Software**

Company has commenced promoting the software for business integration, called 'Total', in the domestic and the overseas market. The product was launched in the market in the second half of the year. However, the marketing efforts were severely affected due to non-fulfilment of financial commitments made by the angel investors last year and the general slowdown in economy.

Inspite of the set back, company could sale software worth Rs. 37.5 lakhs, which is about 120% more on annualized basis as compared to earlier year.

Company has identified SME sector as a niche market segment for its business integration product.

While the ERP implementation business for larger companies is declining the business of ERP for smaller companies is in the growth phase, which is translating into growth for the entire industry. According to research conducted by IDC, the center of growth for ERP is shifting from megacorps to the smaller companies.

Company, expects that, given the resources, it is in a position to place itself very comfortably in the SME Market place.

Training

Company commenced its mobile training academy called, Datssoft Mobile Academy, during the year. In the six months of its operation, company generated business worth Rs. 30 Lakhs.

IT Training has taken a severe blow, because of the slow down in this sector. However, company, believes that with a proper mix of cost benefits and appropriate branding it is possible to generate good business. It is more so because the mobility concept allows company to reach to the interiors and rural areas. This model also allows company to add substantial incidental revenue.

4. DIRECTORS

Mr. Chandan Parmar retires by rotation and being eligible offers himself for reappointment.

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5. CORPORATE GOVERNANCE

The Compliance of the provisions of the corporate governance as regards to the furnishing of report and formation of audit committee as required under Clause 49 of the Listing Agreement shall become applicable to the company from 2002-03. However, your Company has already constituted a committee for transfer of shares and redressal of investor grievances.

6. LISTING REQUIREMENTS

Your Company's equity shares are listed at Mumbai and Ahmedabad Stock Exchanges and as required by Clause 32 of the Listing Agreement, a cashflow statement is appended.

7. DEMATERIALISATION OF SHARES

Approximately 83.87% of the shares issued by the Company have been dematerialized as on 30th September, 2001. Your Company has also made arrangements for simultaneous transfer and dematerialisation of shares.

8. FORFEITURE OF SHARES

Your Company was constrained to forfeit 11856000 Equity Shares of Rs. 10/- each after giving ample time to pay the outstanding dues and also after complying with the provisions of the Articles of Associations, Listing Agreement and the Companies Act, 1956. Non-payment of outstanding dues very badly affected the growth of the Company. Your Directors are actively considering to re-issue such forfeited shares at an opportune time.

9. PARTICULARS OF EMPLOYEES

There were no employees other than Managing Director drawing remuneration in excess of the limit prescribed under section 217 (2A) of the Companies Act, 1956.

10. DEPOSITS

The Company has not accepted any Fixed Deposits from the public.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the period ended 30th June, 2001 is annexed and forms a part of this Report.

12. AUDITORS

M/s B. L. Eriwal & Co., Chartered Accountants, Mumbai, will hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment as the statutory auditors of the Company for the next year.

13. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continued support received from shareholders, banks, customers and government departments. Your Directors also place on record their appreciation of the dedicated efforts of employees at all levels.

For & on behalf of the
BOARD OF DIRECTORS

PLACE : MUMBAI
DATE : 6/10/2001

H.J. Shah
CHAIRMAN