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XXI

Datasoft

APPLICATION SOFTWARE (INDIA) LIMITED

ANNUAL REPORT

2007-2008

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BOARD OF DIRECTORS

Chairman
H. J. Shah

Managing Director & CEO
R. M. Bhuta

Directors
C. M. Buch
Chandan Parmar

Bankers
Karnataka Bank Limited

Auditors
M/s. R. S. Patil & Co.

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Registered Office
217, Blue Rose Industrial Estate,
Western Express Highway,
Borivali (East),
Mumbai-400 066.

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DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

Regd. Office :- 217, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai 400066

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED will be held on Tuesday, 30th September, 2008 at 3.00 p.m. at 217, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai 400066 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. C. M. Buch, who retires by rotation and being eligible offers himself for reappointment.

3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

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

Place : MUMBAI
Date : 22/08/2008

R. M. Bhuta
Managing Director and Chief Executive Officer

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.

1. Register of Members and the share transfer books of the company will be closed from Monday 22nd September, 2008 to Tuesday 30th September, 2008 both days inclusive.

2. The identities/signature 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.

3. The company's equity shares are listed at the Mumbai and Ahmedabad Stock Exchanges.

4. Equity Shares of the company are available for trading in dematerialized form through the Depository

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Participants. Requests for dematerialization and transfer of shares may be sent to the Company's Registrars and Share Transfer Agents, Intime Spectrum Registry Limited situated at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078.

5. Shareholders desiring any information as regards accounts are requested to write in advance to the company at least seven days before the date of meeting to enable the management to keep the information ready.

6. As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring copies with them.

7. Members are requested to notify immediately any change of their address to the company or the Share Transfer agents.

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

Place : MUMBAI
Date : 22-08-2008

R. M. Bhuta
Managing Director and Chief Executive Officer

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DIRECTORS' REPORT

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

Your directors present their Sixteenth Annual Report, together with Audited Accounts for the year ended on 31st March, 2008.

1. FINANCIAL RESULTS

		(Rs. in Lakhs)
	2007-2008	2006-2007
Sales and Other Income	6.09	6.01
Profit/(Loss) before Depreciation	3.80	2.86
Divisible Profit/(Loss)	3.80	2.86
Retained Profit/(Loss)	3.80	2.86
Dividend	-	-

2. DIVIDEND

Due to accumulated losses Directors regret to recommend any dividend for the year ended on 31st March 2008.

3. BUSINESS REVIEW & FUTURE PROSPECTS

Principal business of the company remains temporarily suspended due to unavailability of sufficient resources. Company shall restart its business upon generating required resources for effective working. In order to open up choice of business, your company has liquidated its assets, vide authority granted by the shareholders by postal ballot, results of which were declared on 20-1-2005. The funds generated there from are currently invested in interest fetching loans/deposits. Company has a positive net worth. Company has meager liability, which will be met out of the liquidity generated. Your directors are trying to tie up with strategic investor but have not met with success so far and hence it is difficult to predict any time frame for such success.

4. DIRECTORS' RESPONSIBILITY

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

a) that in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from it.

b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company at the end of financial year and of profit and loss of the Company for that year.

c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) that considering the fact that the company's net worth is positive and that company has investible surplus after meeting its liabilities fully, the annual accounts are prepared on 'going concern' basis. The values of the assets and liabilities as stated in the Balance Sheet shall remain unchanged even if the

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accounts are not prepared on going concern basis and consequently no adjustments are required in the accounts.

5. **CORPORATE GOVERNANCE**

A report of the auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated by clause 49 of the Listing Agreement with stock exchange is attached herewith. Management Discussion and Analysis Report is appearing below in this Report and not by way of separate annexure.

6. **MANAGEMENT DISCUSSION & ANALYSIS**

a) **Industry Structure and Development**

The domestic IT market for Small to Medium enterprises is growing rapidly. The growth rate for the software industry is expected to be around 20% per annum.

b) **Outlook, Opportunities and Threats**

Your company has temporarily suspended its software related activities and the company is looking for partner, who can bring in required resources to recommence its activities. Your directors are considering various options to recommence the business.

c) **Segment wise Performance**

Your company had minuscule revenues from operations within India. Accordingly there is only one segment relating to finance activities, within India.

d) **Internal Control System and their adequacy**

The company has adequate internal control procedures commensurate with its size and nature of business.

7. **ADDITIONAL DISCLOSURES**

In accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, your company has made additional disclosures in respect of related party transactions and earnings per share. These statements have been audited by the Statutory Auditors and are part of the Annual Report.

8. **PERSONNEL**

All the employees of the Company had resigned in the earlier year/s. Your company will recruit new employees after restructuring the business.

9. **DIRECTORS**

Mr. C. M. Buch retires by rotation and being eligible offers himself for reappointment. Mr. Buch, 50, has been on the board of directors of this company since its incorporation and is also Chairman of Audit Committee and a member of Share Transfer / Grievance committee of the company. He is a Chartered Accountant. Mr. Buch has furnished a declaration in DDA to the Company stating that he is not disqualified from being appointed as a Director of the Company.

10. **DEPOSITS**

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

11. **LISTING REQUIREMENTS**

Your company's equity shares are listed at Mumbai and Ahmedabad Stock Exchanges. However as discussed elsewhere in this report the shares are suspended for trading.

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12. **DEMATERIALISATION OF SHARES**

Approximately 88.42% of the shares issued by the company have been dematerialized.

13. **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 the Directors' report for the year ended 31st March, 2008 is annexed and forms part of this report.

14. **PARTICULARS OF EMPLOYEES**

There were no employees drawing remuneration of Rs 2,00,000/- per month or more or Rs 24,00,000/- per annum or more during the year under review.

15. **AUDITORS**

M/s R. S. Patil & Co. Statutory Auditors of the company will hold the office till the conclusion of the ensuing Annual General Meeting. They have expressed their inability for reappointment. The Board puts on record their appreciation for the services rendered by them. The Board recommends M/s. Ankit Parekh & Associates, Chartered Accountants as Statutory Auditors of the Company for the next year.

16. **ACKNOWLEDGEMENT**

Your directors wish to place on record their appreciation for the continued support received from shareholders and other stakeholders, banks and government departments.

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For and on behalf of the
BOARD OF DIRECTORS

Place : Mumbai
Date : 22-08-2008

H. J. SHAH
CHAIRMAN

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ANNEXURE-A

THE INFORMATION 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.

A) CONSERVATION OF ENERGY

The Company's operations do not involve high-energy consumption warranting measures for conservation.

B) FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH & DEVELOPMENT (R & D)

FORM B

RESEARCH & DEVELOPMENT :

The company has temporarily suspended all its operations and therefore not applicable.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION AND BENEFITS DERIVED THEREFROM :

The company has temporarily suspended all its operations and therefore not applicable.

TECHNOLOGY IMPORTED AND ABSORBED :

The company has temporarily suspended all its operations and therefore not applicable.

FOREIGN EXCHANGE OUTGO AND EARNINGS :

Please refer to Note No. 5 and 6 of Schedule XII to the Balance Sheet.

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REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

Your company firmly believes in transparency in its dealings and lays emphasis on the integrity and regulatory compliances. With this end in view this year's annual report has made substantial disclosures in the financial statement and Directors' Report.

2. Board of Directors

The Composition of the Board of Directors and related information as on 31st March, 2008 is as follows :

DIRECTOR	STATUS	NO. OF BOARD MEETINGS DURING THE YEAR ENDED 31ST MARCH, 2008		LAST AGM ATTENDED	BOARD MEMBERSHIP (OTHER COMPANIES)	
		HELD	ATTENDED		BOARD	COMMITTEES
Mr. H. J. Shah	Chairman Promoter Non Executive	4	4	YES	NONE	NONE
Mr. C. M. Buch	Promoter Non Executive	4	3	YES	NONE	NONE
Mr. C. M. Parmar	Promoter Non Executive	4	4	NO	4	NONE
Mr. R. M. Bhuta	MD and CEO Promoter	4	4	YES	NONE	NONE

During the year under review Four Board meetings were held on 31-07-2007, 23-08-2007, 8-10-2007 and 31-01-2008.

The last AGM was held on 28th September 2007.

3. Board Committees:

(a) Audit Committee:

The audit committee consists of following three non - executive directors

Mr. C. M. Buch
Mr. H. J. Shah
Mr. C. M. Parmar

The brief description of the terms of reference of the audit committee is:

To review the Statutory Auditor's report on the financial statements
To generally interact with the Statutory Auditors
To review weaknesses in the internal control procedures

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