BOARD OF DIRECTORS

Chairman

H. J. Shah

Directors

Chandan Parmar (MD & CEO)

C. M. Buch

R. M. Bhuta

Ajay Nagpal

Mahesh Kurlawala

Ravindra Malgaonkar

Shailesh Bendugade

Bankers

Karnataka Bank Limited

Auditors

M/s. Kanu Doshi Associates

Registered Office

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

DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

Regd. Office :- 22, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai 400066

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED will be held on Thursday, 29th September, 2011 at 3.00 p.m. at Shree Girdharilal Munshilal Jain Sabhagruh, 1st Floor, New Shanti Nagar, Opp. Jain Mandir, Mandpeshwar Road, Borivali (West), Mumbai - 400 103 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. H. J. Shah, Mr. C. M. Buch and Mr. Shailesh Bendugade, who retire by rotation and being eligible offer themselves for reappointment.

3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting, to authorize the Board of Directors to fix their remuneration and to pass the following resolutions:
   "RESOLVED THAT Messrs Kanu Doshi Associates, Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors"

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

Place : MUMBAI
Date : 18-07-2011

Chandan Parmar
MD & CEO

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 Thursday 22nd September, 2011 to Thursday 29th September, 2011 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 is 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, Link Intime India Private 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 : 18-07-2011

Chandan Parmar
MD & CEO

DIRECTORS' REPORT

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

Your directors present their Nineteenth Annual Report, together with Audited Accounts for the year ended on 31st March, 2011.

1. FINANCIAL RESULTS

(Rs. In Lakhs)

	2010-2011	2009-2010
Sales and Other Income	7.04	7.19
Profit/(Loss) before depreciation	1.50	4.74
Divisible Profit/(Loss)	1.50	4.74
Retained Profit/(Loss)	1.50	4.74
Dividend	–	–

2. DIVIDEND

Due to accumulated losses Directors regret to recommend any dividend for the year ended on 31st March 2011.

3. BUSINESS REVIEW AND 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

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values of the assets and liabilities as stated in the Balance Sheet shall remain unchanged even if the 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 AND 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 miniscule revenues from operations within India. Accordingly there is only one segment relating to software 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. **AUDITORS' OBSERVATIONS :**

Clarifications on the auditors observations is as under:

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

9. **PERSONNEL**

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

10. **DIRECTORS**

Mr. H. J. Shah retires by rotation and being eligible offers himself for reappointment. Mr. H. J. Shah, 71 has been on the board of directors of this company since its incorporation. He is Industrialist. Mr. H. J. Shah has furnished a declaration in DDA to the Company stating that he is not disqualified from being appointed as a Director of the Company.

Mr. C. M. Buch retires by rotation and being eligible offers himself for reappointment. Mr. Buch, 53 has been on the board of directors of this company since its incorporation. He is 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.

Mr. Shailesh Bendugade retires by rotation and being eligible offers himself for reappointment. Mr. Shailesh Bendugade, 25 has been on the board of directors of this company since 27th April 2010. He is an accountant by profession. Mr. Shailesh Bendugade has furnished a declaration in DDA to the Company stating that he is not disqualified from being appointed as a Director of the Company.

11. **DEPOSITS**

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

12. **LISTING REQUIREMENTS**

Your company's equity shares are listed at Mumbai and Ahmedabad Stock Exchanges. The trading in the shares of the company has been resumed from 24th December 2010.

13. **DEMATERIALISATION OF SHARES**

Approximately 88.77% of the shares issued by the company have been dematerialized.

14. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.**

Since Company has temporarily suspended its business activities, 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 is not applicable. Company has neither earned nor spent any foreign exchange during the year.

15. **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.

16. **AUDITORS**

M/s Kanu Doshi Associates Statutory Auditors of the company will hold the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their appointment as the Statutory Auditors of the Company for next year.

17. **ACKNOWLEDGEMENT**

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

For and on behalf of the
Board of Directors

Place : Mumbai
Date : 18-07-2011

H. J. Shah
Chairman

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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, 2011 is as follows :

DIRECTOR	STATUS	NO. OF BOARD MEETINGS DURING THE YEAR ENDED 31ST MARCH, 2011		LAST AGM ATTENDED	BOARD MEMBERSHIP (OTHER LISTED COMPANIES)	
		HELD	ATTENDED		BOARD	COMMITTEES
Mr. H. J. Shah	Chairman Promoter	7	7	YES	NONE	NONE
Mr. C. M. Buch	Promoter	7	7	YES	NONE	NONE
+ Mr. C. M.Parmar	Promoter	7	7	YES	1	NONE
Mr. R. M. Bhuta	Promoter	7	7	YES	NONE	NONE
Mr. Ajay Nagpal	Independent	* 6	5	NO	NONE	NONE
Mr. Shailesh Bendugade	Independent	* 6	5	YES	NONE	NONE
Mr. Ravindra Malgaonkar	Independent	* 6	6	YES	NONE	NONE
Mr. Mahesh Kurlawala	Independent	* 6	6	YES	NONE	NONE

+ Appointed as MD & CEO w.e.f. 12th July, 2010.

* After his appointment on 27/4/2010.

During the year under review Seven Board meetings were held on 27-04-2010, 31-05-2010, 12-07-2010, 22-07-2010, 15-11-2010, 27-12-2010 and 14-01-2011.

The last AGM was held on 23rd August, 2010.

3. Code of Conduct:

The Company's Board has laid down a code of conduct for all Board members and Senior Management of the Company, which has been circulated to all concerned. All Board members have affirmed compliance with the code of conduct.

4. Board Committees:

(a) Audit Committee:

The audit committee consists of following directors

Mr. Ajay Nagpal

Mr. C. M. Buch

Mr. Mahesh Kurlawala

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

To select and establish accounting policies and review the same

During the year four meetings of the audit committee were held on 31-05-2010, 22-07-2010, 09-11-2010, and 07-02-2011, at which all the members of the committee were present. Recommendations of the Audit Committee, if any, are accepted and implemented by the Board from time to time.

(b) **Remuneration Committee**

The remuneration committee consists of following directors

Mr. H. J. Shah

Mr. R. M. Bhuta

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

i) to determine on behalf of the Board the company's policy on specific remuneration package to MD & CEO, if any.

ii) to avoid conflict of interest and to review and suggest to the Board and to the members the remuneration payable to MD & CEO, if any.

One meeting of this committee was held on 10-01-2011, wherein both the members were present.

Salary, Perquisites, Incentives, Allowances, Provident Fund, Superannuation, Commission, Sitting fees, or other payment of such nature have not been paid to MD & CEO, Executives and/or Non Executive Directors, during the year under review.

Company does not have a scheme for grant of stock options either to the MD & CEO or to the employees.

(c) **Share Transfer/Investors Grievance Committee.**

The share transfer function has been delegated to Mr. R. M. Bhuta, Director of the company, who looks after the share transfers. The Shareholders/Investors Grievance Committee consists of following two directors:

Mr. R. M. Bhuta
Mr. C. M. Buch

The brief description of the terms of reference of the Shareholders/Investors Grievance Committee is to consider the grievances of shareholders/investors, relating to transfers, non-receipt of annual accounts, dividends and other such grievances.

The committee met once on 10-01-2011, both the members were present.

Mr. C. M. Buch Director is appointed as 'Compliance Officer'.

All complaints received by the company during the year ended on 31st March, 2011 have been redressed.

A statement of various complaints received and cleared by the company during the year ended on 31st March, 2011 is given below :

Nature of Complaint	Received	Cleared
Non Receipt of Annual Report	0	0
Non Receipt of Share Transferred	0	0
Non-Receipt of Rejected DRF	1	1
Non-Receipt of Demat / remat certificate	0	0

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5. General Body Meetings:

(a) Location and Time where last three AGMs were held:

ACCOUNTING YEAR ENDING	AGM DATE	AGM PLACE	AGM TIME
31st March 2010	23-08-2010	217, Blue Rose Industrial Estate, W. E. Highway, Borivali (East), Mumbai-400066.	3.00 p.m.
31st March 2009	30-09-2009	217, Blue Rose Industrial Estate, W. E. Highway, Borivali (East), Mumbai-400066.	3.00 p.m.
31st March 2008	30-09-2008	217, Blue Rose Industrial Estate, W. E. Highway, , Borivali (East), Mumbai-400066.	3.00 p.m.

Neither any Special Resolutions were passed in the last three AGMs nor were any resolutions put through postal ballot last year. No resolutions are proposed by postal ballot.

6. Other disclosures

Compliances

(a) Disclosure on materially significant related party transactions 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 at large.

(b) Details of non-compliance by company, penalties, and strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to the capital markets during last three years.

The trading in the shares of the company has been resumed on Mumbai Stock Exchange from 24th December 2010 and 1,44,000 unlisted equity shares have been listed by Mumbai Stock Exchange. The script was earlier suspended by the Mumbai Stock Exchange w.e.f. 3rd January 2003, on the allegation of dematerialization of 1,44,000 unlisted Equity Shares allotted on preferential basis by the Company on 27th April 2000. The company had been advised that section 28 of the SEBI (Depositories and Participants) Regulations 1996 makes unlisted shares eligible for dematerialzation. SEBI issued a circular no SMDRP/Policy/Cir-15/2001 on 8th March 2001 restraining the dematerialization of unlisted securities. However before this circular was issued your company had allowed dematerialization of the shares based on the above referred provisions of the Act.

(c) Whistle Blower policy and affirmation that no personnel has been denied access to the audit Committee.

Company for the time being has no employees; the Whistle Blower Policy therefore is not operative for the time being.

(d) Details of compliance with mandatory requirements and adoption of the nonmandatory requirements of this clause.

The company has not adopted the non mandatory requirements as specified in Annexure ID of the Listing agreement.

7. Means of Communication

(a) Whether half yearly reports sent to each household of shareholders:
No

(b) Quarterly Results

(i) Which news paper normally published in
None

(ii) Any website displayed
The results are generally available on www.bseindia.com