

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
Thakur Village, Kandivali (East),
Mumbai - 400 101.

Auditors

M/s. Kanu Doshi Associates
203, The Summit, F-Wing, Hanuman Road,
Samarth Nagar, Western Express Highway,
Vile Parle (East), Mumbai - 400 057.

Registered Office

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

Annual Report 2013 - 2014

DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

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

Tel. : 022-28706999, 28703821 Website : www.dasil.in

CIN : L72200MH1992PLC067032

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED will be held on Monday, 29th September, 2014 at 3.00 p.m. at 22, Blue Rose Industrial Estate, Western Express Highway, Borivali East, Mumbai - 400 066 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. C. M. Buch, (DIN 00326637) 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 Twenty Seventh Annual General Meeting and to authorize the Board of Directors to fix their remuneration and;

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to recommendation made by the Audit Committee, pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Kanu Doshi Associates, Chartered Accountants, Mumbai, (Firm Reg. No. 104746W and having peer review certificate issued by the institute of Chartered Accountants of India), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty seventh AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at a remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company in consultation with M/s Kanu Doshi Associates in addition to out of pocket expenses as may be incurred by them during the course of the Audit :

SPECIAL BUSINESS :

4. Appointment of Mr. Mahesh Kurlawala as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Mahesh Kurlawala (DIN 03039899), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019."

5. Appointment of Mr. Ravindra Malgaonkar as Independent Director of the Company.

To Consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ravindra Malgaonkar (DIN 03044273), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019."

6. Appointment of Mr. Ajay Nagpal as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution** :

Datasoft Application Software (India) Limited

"Resolved That pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ajay Nagpal (DIN 00591193), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019."

7. Appointment of Mr. Shailesh Bendugade as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution** : **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shailesh Bendugade (DIN 03050032), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019."

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

Place : MUMBAI
Date : 14-08-2014

Chandan Parmar
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.

Pursuant to the provision of Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person for shareholder.

1. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their representative to attend and Vote on their behalf at the Meeting.
2. Register of Members and the share transfer books of the company will be closed from Monday 22nd September, 2014 to Monday 29th September, 2014 both days inclusive.
3. 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.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto.
5. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days, except Saturday, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
6. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.
7. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Members who are interested in availing the nomination facility are requested to write to the Company.

Annual Report 2013 - 2014

8. The company's equity shares are listed at the Mumbai and Ahmedabad Stock Exchanges.
9. Equity Shares of the company is available for trading in dematerialized form through the Depository 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.
10. 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.
11. Members are requested to notify immediately any change of their address to the company or the Share Transfer agents.
12. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialised format and whose email ids are registered with the Depository for communication purposes. The members holding shares in physical form and / or those members who have not registered their email ID are requested to register their email ID addresses with Link Intime India Pvt. Ltd. the Company's Registrar and Transfer Agents.
13. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below :

Particulars required	Information
Name of the Director	Chaitanya M. Buch
Date of Birth	5th December 1957
Date of Appointment	2nd June 1992
Expertise in specific functional areas	Accounts, Finance and Direct Taxes
Qualifications	Chartered Accountant, B.Com.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Audit Committee and Stakeholders' Grievance Committee
Directorship in other Companies	1.Knowledgegate Consultants Pvt.Ltd.
Membership of Audit Committee of other public limited companies	None
Membership of any other committee of other public limited companies.	None

Independent Directors

Particulars required	Information
Name of the Director	Mahesh R.Kurlawala
Date of Birth	18th May 1964
Date of Appointment	27th April 2010
Expertise in specific functional areas	Accounts, Service Tax and VAT
Qualifications	B.com.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Audit Committee
Directorship in other Companies	None
Membership of Audit Committee of other public limited companies	None
Membership of any other committee of other public limited companies.	None

Datasoft Application Software (India) Limited

Particulars required	Information
Name of the Director	Ravindra V. Malgaonkar
Date of Birth	9th December 1966
Date of Appointment	27th April 2010
Expertise in specific functional areas	Administartion and General Management
Qualifications	B.Com
Chairman/Member of the Committees of the Board of Directors of the Company.	None
Directorship in other Companies	None
Membership of Audit Committee of other Public Limited Companies	None
Membership of any other Committee of other Public Limited Companies.	None

Particulars required	Information
Name of the Director	Ajay Nagpal
Date of Birth	25th July 1973
Date of Appointment	27th April 2010
Expertise in specific functional areas	Audit, Taxation and Corporate Laws
Qualifications	Chartered Accountant, B.com.
Chairman/Member of the Committees of the Board of Directors of the Company.	Chairman of Audit Committee
Directorship in other Companies	None
Membership of Audit Committee of other public limited companies	None
Membership of any other committee of other public limited companies.	None

Particulars required	Information
Name of the Director	Shailesh Bendugade
Date of Birth	15th February 1986
Date of Appointment	27th April 2010
Expertise in specific functional areas	Accounting
Qualifications	B.com.
Chairman/Member of the Committees of the Board of Directors of the Company.	None
Directorship in other Companies	None
Membership of Audit Committee of other public limited companies	None
Membership of any other committee of other public limited companies.	None

Annual Report 2013 - 2014

14. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The instructions for members for voting electronically are as under :-

- (i) The voting period begins on 23rd September 2014 at 9.00 a.m. and ends on 25th September 2014 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click the "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT".
- (v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID.
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric * PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two character of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company record for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Detail	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

Datasoft Application Software (India) Limited

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
 - (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify, your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
 - (xix) Note for Institutional Shareholders
 - Institution shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on the <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account (s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
15. Mr. B. V. Dholakia of Dholakia & Associates, Practicing Company Secretaries (Membership No. FCS 977), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
16. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Annual Report 2013 - 2014

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

Item No. 4, 5, 6, and 7

Appointment of Independent Directors for a Term of 5 (five) years in terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade are independent Directors of the Company and have been holding the positions.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent Directors by a Listed Company.

It is proposed to appoint Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2019.

Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Since all the independent Director are presently holding office of the Directors and duly appointed by the shareholders at the respective Annual General Meetings the provisions of Section 160 of the Companies Act, 2013 are not applicable and hence there is no need for the proposals for their appointments from the members along with requisite amount of deposit.

The Company has also received declarations from Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade fulfill the conditions for appointment as Independent Directors as specified in the Act and Listing Agreement.

Brief resume of Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copies of the draft letters for respective appointments of Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade are interested in the resolutions set out respectively at item Nos. 4, 5, 6 and 7 of the Notice with regard to their respective appointment.

The relatives of Mr. Mahesh Kurlawala Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5, 6 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5, 6 and 7 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD

For DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

Place : MUMBAI

Date : 14-08-2014

Chandan M. Parmar

Managing Director and Chief Executive Officer

Datasoft Application Software (India) Limited

DIRECTORS' REPORT

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

Your directors present their Twenty Second Annual Report, together with Audited Accounts for the year ended on 31st March, 2014. Pursuant to the clarification issued by the Ministry of Corporate Affairs (MCA) vide its General Circular No. 08/2014 dated 4th April, 2014 statement of accounts, auditors's report, Board's Report and attachment thereto have been prepared in accordance with the provisions contained in the Companies Act, 1956 as the provisions of the Companies Act, 2013 has been made applicable for the financial year commencing on or after 1-4-2014.

1. **FINANCIAL RESULTS**

	2013-2014	(Rs. In Lakhs) 2012-2013
Sales and Other Income	7.77	7.44
Profit/(Loss) before depreciation	5.69	5.22
Divisible Profit/(Loss)	5.69	5.22
Retained Profit/(Loss)	5.69	5.22
Dividend	-	-
Accumulated loss	(560.12)	(565.81)

2. **DIVIDEND**

Due to accumulated losses Directors regret to recommend any dividend for the year ended on 31st March 2014.

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. The surplus funds available with the company are currently invested in interest fetching loans/deposits. Company has a positive net worth. Company has meager liability, which can easily be met out of the funds available with the company. 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 STATEMENT**

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

- that in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from it.
- 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 of the Company for that year.
- 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.
- 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 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 strategic 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**

The only source of income for Company is interest earned on idle funds temporarily invested in loans / deposits. Hence no disclosure under Accounting Standard - 17, "Segment Reporting" is required in these financial statements. There is no reportable geographical segment.

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.

Annual Report 2013 - 2014

8. **AUDITORS' OBSERVATIONS :**

Clarifications on the auditors' observation is as under:

Considering the fact that the Company's net worth is positive and that the 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**

In view of absence of any business there are no employees. Your company will recruit new employees as soon as it recommences the business.

10. **DIRECTORS**

As per the provisions of Section 152(6) of the Companies Act, 2013, 2/3rd of Non-Independent Directors will be liable to retire by rotation and out of which 1/3rd will retire by rotation this year. Accordingly, Mr. C. M. Buch retires by rotation and being eligible and not being disqualified under section 164 of the Companies Act, 2013 offers himself for reappointment. He is a Chartered Accountant.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the Annual General Meeting. Since all the Independent Directors are current Directors and only their terms are being extended and hence the provisions of Section 160 of the Companies Act, 2013 are not applicable.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under Sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. Details of the proposal for extending the duration of the office of the independent directors namely Mr. Mahesh Kurlawala, Mr. Ravindra Malgaonkar, Mr. Ajay Nagpal and Mr. Shailesh Bendugade are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 22nd Annual General Meeting.

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.

13. **DEMATERIALISATION OF SHARES**

Approximately 88.95% 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. **GREEN INITIATIVES**

The Company has started transmitting Annual Report through electronic mode-email to the shareholders who have preferred to receive Annual Report through electronic mode and initiated steps to reduce consumption of paper.

16. **PARTICULARS OF EMPLOYEES**

There were no employees drawing remuneration of ₹ 5,00,000/- per month or more or ₹ 60,00,000/- per annum or more during the year under review.

17. **AUDITORS**

M/s Kanu Doshi Associates, Chartered Accountants, auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Directors recommend the appointment of Kanu Doshi Associates, Chartered Accountants, as auditors of the Company. A suitable resolution in this behalf forms part of the Agenda for the forthcoming Annual General Meeting of the Company.

18. **GENERAL DISCLOSURES**

Notes forming part of the Accounts are self-explanatory. Since the Company has not been carrying out any activities provisions relating to appointment of VAT Auditors, Cost Auditors and Internal Auditors do not apply. The Company has not resorted to any Buy Back of its shares during the year under review.

19. **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 : 14-08-2014

H. J. Shah
Chairman