

Datasoft

APPLICATION SOFTWARE (INDIA) LIMITED

ANNUAL REPORT

2001-2002

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

Report



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DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

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

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED, will be held on Monday, the 30th December, 2002 at 3.00 p.m. at Shree Girdharilal Munshilal Jain Sabhagruh, 1st Floor, New Shanti Nagar, Opp. Jain Mandir, Mandpeshwar Road, Borivli (West), Mumbai-400 103 to transact the following business :

1. To consider and adopt the Balance Sheet as at 30th June, 2002 and Profit & Loss Account for the year ended on that date and the 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 Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
4. To appoint branch auditors in consultation with the statutory auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.



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

Place : MUMBAI
Date : 30-09-2002

Rajesh M. Bhuta
Managing Director and Chief Executive Officer

NOTES:

- 1.0 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. 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.
- 2.0 Register of members and the Share Transfer Books of the Company will be closed from Monday, the 23rd December 2002 to Monday 30th December 2002, both days inclusive.
- 3.0 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.

Datasoft Application Software (India) Limited

- 4.0 The Company's equity shares are listed at the Stock Exchange, Mumbai, and the Stock Exchange, Ahmedabad.
- 5.0 Equity Shares of the Company is available for trading in dematerialised form (Scripless trading in electronic form) through the Depository participants. Request for dematerialisation and transfer of shares may be sent to the Company's Registrars and Share Transfer Agents, Intime Spectrum Registry Private Limited, situated at 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080.
- 6.0 Shareholders desiring any information as regards Accounts are requested to write in advance to the Company at least 7 days before the date of meeting to enable the Management to keep the full information ready.
- 7.0 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.
- 8.0 Members are requested to notify immediately any change of their addresses to the Company.

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

**Place : MUMBAI
Date : 30-09-2002**

**Rajesh M. Bhuta
Managing Director and Chief Executive Officer**

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Annual Report 2001 - 2002**DIRECTORS' REPORT**

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

The Directors present the Tenth Annual Report, together with Audited Accounts for the year ended on 30th June, 2002.

1. FINANCIAL RESULTS

	2001-2002 (Rs.inLakhs)	2000-2001 (Rs. in Lakhs)
Sales and other Income	107.94	97.21
Profit/(loss) before Depreciation	(30.48)	(79.74)
Divisible Profit/(loss)	(45.20)	(94.70)
Dividend	-	-
Retained Profit/(loss)	(45.20)	(94.70)

Total receipt of the Company registered a marginal increase in comparison with the previous year. Your Directors continued their vigil on the cost front and were successful in bringing down the loss substantially in comparison with the previous year.

2. DIVIDEND

Due to accumulated losses Directors regret to recommend any dividend for the financial year ended 30th June 2002.

3. BUSINESS REVIEW & FUTURE PROSPECTS

Your Company's sustained efforts could not bring any major impact on the net results of the working of the Company. The novel and unique concept of mobile training has not received desired response from the students due to overall downturn in computer training industry. Company has developed and launched the business integration software to suit the requirements of Small to Medium Enterprises. The said software has been put to use at about 75 locations in five countries. The liquidity crunch is a stumbling block for the growth of the Company. The success of the company largely depends up on the availability of financial resources. Your Directors are making all endeavours to generate financial resources to remain in the software sector and en-cash on the niche for its packaged software.

4. DIRECTORS RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2001, the Directors confirm that: in the preparation of the annual accounts, the applicable accounting standards have been followed;

- the accounting policies have been consistently applied and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the loss of the company for the year ended on 30th June, 2002 and the state of affairs of the company as at 30th June, 2002 as disclosed in the enclosed accounts;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.

5. RELATED PARTY TRANSACTIONS

In accordance with the Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India, transactions with related parties have been disclosed separately and form a part of this report.

6. HUMAN RESOURCES

Relations with employees continued to remain harmonious and cordial. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives and staff of the Company for their hard and sincere work.

7. DIRECTORS

Mr. C. M. Buch retires by rotation and being eligible offers himself for reappointment.

8. CORPORATE GOVERNANCE

The compliance of the provisions of the corporate governance as regards to the furnishing of report and formation of audit committee will be made by the end of the current year as applicable to the company.

9. 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.

10. DEMATERIALISATION OF SHARES

Approximately 86% of the shares issued by the Company have been dematerialized upto 30th September 2002. Your Company has also made arrangements for simultaneous transfer and dematerialisation of shares.

11. DEPOSITS

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

12. 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 2002 is annexed and forms a part of this Report.

13. PARTICULARS OF EMPLOYEES

There was no employee drawing remuneration of Rs. 2,00,000/- per month or more or Rs. 24,00,000/- per annum or more during the period under review.

14. 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.

15. ACKNOWLEDGEMENT

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

For and on behalf of the
BOARD OF DIRECTORS

Place : Mumbai
Date : 30-09-2002

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 THE BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

The Company's operations do not involve high energy consumption warranting measures for conservation. However, measures are being taken to make optimum use of the energy.

B FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH & DEVELOPMENT (R & D)**FORM B****RESEARCH & DEVELOPMENT****1) Specific areas in which R&D carried out by the Company :**

Software Products and development of ERP.

2) Benefits derived as a result of the above R&D :

Commercialization of Software Products.

3) Future plan of action :

The Company's R&D efforts will be targeted towards upgradation of the present software products and development of new software products for commercialization and revenue increase in domestic and foreign markets.

Technology Absorption, Adaption and Innovation and Benefits derived therefrom :

The R & D efforts have been successfully translated and commercialized, in a modest way, through the software products. These efforts will be directed at upgrading the existing products and development of new products.

Technology imported and absorbed :

The Company has not imported, through foreign collaborations or otherwise, any technology for the existing products of the Company.

Foreign Exchange Earnings and Outgo :

Please refer to Note No. 6 and 7 of Schedule XV to the Balance Sheet.