

NINETEENTH ANNUAL REPORT 2012-2013



Ace Software Exports Limited

CORPORATE INFORMATION

Board of Directors:

Vikram B. Sanghani

Joint Managing Director

Sanjay H. Dhamsania

Joint Managing Director

Dharmsibhai R. Vadaliya

Independent Director

Vimal L. Kalaria

Independent Director

Pratik C. Dadhaniya

Independent Director

Company Secretary:

N. I. Thomas

Secretarial Auditors

M/s. MJP Associates,

Practising Company Secretaries

Rajkot

Statutory Auditors:

M/s. Kalaria & Sampat,

Chartered Accountants,

Rajkot

Bankers

Bank of Baroda

HDFC Bank Ltd.

Axis Bank Ltd.

Registered Office:

801 – Everest Commercial Complex,

Opp. Shashtri Maidan,

Rajkot – 360 001, Gujarat, India

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Ace Software Exports Limited will be held on Saturday, 28th September, 2013 at 11:00 am at the Registered Office of the Company situated at 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001, Gujarat, to transact the following businesses:

Ordinary Business:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss Account for the year ended on that date together with the Auditors and Directors' Report thereon.
- To appoint Director, in place of Shri Vikram B Sanghani who is liable to retire by rotation, and being eligible, offers himself for re-appointment.
- To appoint Director, in place of Shri Dharamsibhai R Vadalia, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
- To appoint auditors **M/s. Kalaria & Sampat**, Chartered Accountants, Rajkot, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Special Business:

- To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, the approval of the Members of the Company be and is hereby given for revision in remuneration of Shri Vikram B. Sanghani, Joint Managing Director of the Company w.e.f. 29th March, 2013 for the period of Two Years on such terms and conditions mentioned hereinunder:"

SALARY:

- Salary of Rs. 1,48,750/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.
- Reimbursement of Medical Expenses upto Rs. 1,250/- per month

"RESOLVED FURTHER THAT The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956. Shri Vikram B. Sanghani shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors"

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri Vikram B. Sanghani, the Company has no profits or has inadequate profits, the Company will, subject to provisions of Schedule XIII to the Companies Act, 1956, pay remuneration by way of salary and allowances as specified above."

"RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

- To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, the approval of the Members of the Company be and is hereby given for revision in remuneration of Shri Sanjay Dhamsania, Joint Managing Director of the Company w.e.f. 29th March, 2013 for the period of Two Years on such terms and conditions mentioned hereinunder:"

SALARY:

- Salary of Rs. 1,48,750/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.
- Reimbursement of Medical Expenses upto Rs. 1,250/- per month

"RESOLVED FURTHER THAT The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956. Shri Sanjay Dhamsania shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors"

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri Sanjay Dhamsania, the Company has no profits or has inadequate profits, the Company will, subject to provisions of Schedule XIII to the Companies Act, 1956, pay remuneration by way of salary and allowances as specified above."

"RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Date : 29.05.2013
Rajkot : Rajkot

For & On behalf of Board of Directors
Ace Software Exports Limited

(Sanjay H. Dhamsania)
Joint Managing Director

Registered Office Add :

801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001, Gujarat, India

Notes/s:

- A member entitled to attend and vote at the annual general meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than Forty –eight hours before the commencement of the Meeting.
- Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- In Terms of Article 153 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri Vikram B Sanghani and Shri Dharamsibhai R Vadalia, Directors retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commend their respective re-appointments.
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act., 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- Members are requested to bring their Attendance Slip along with the copy of the Annual Report at the meeting.

- The Members are further requested to send all their communication relating to the share registry work to the Share Transfer and Registrar Agent of the Company M/s. Link Intime India Pvt. Ltd. at its Ahmedabad Branch office situated at 303, Shopper's Plaza-V, Opp. Municipal Market, off. C G Road, Navrangpura, Ahmedabad- 380 009.
- Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered Office of the Company on all working days, except Saturdays, between 11:00 am and 1 : 00 pm upto the date of the Meeting.
- The Company has notified closure of Register of Members and Share Transfer Books from Monday, 23rd September, 2013 to Friday, 27th September, 2013 (both days inclusive).
- Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participates with whom they are maintaining their demat account. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ M/s. Link Intime India Pvt. Ltd.
- Members are advised to refer to the information provided in the Annual Report.
- Pursuant to the provisions of Section 205A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends upto Financial years 2004-05 to the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2012 (date of last Annual General Meeting) on the website of the company (www.acesoftex.com), as also on the Ministry of Corporate affairs website.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend
31.03.2006	29.09.2006	28.09.2013
31.03.2007	25.09.2007	24.09.2014
31.03.2008	25.09.2008	24.09.2015

- The shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the company immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such sums.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Link Intime India Pvt. Ltd.
- Members who hold share in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Pvt. Ltd. for consolidation into a single folio.
- Non –Resident Indian Members are requested to inform Link Intime India Pvt. Ltd. immediately of :
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 and 6 of the accompanying Notice:

Item No. 5:

The Board of Directors of the Company had revised remuneration of Shri Vikram Sanghani , Joint Managing Director of the Company, with effect from 29th March, 2013, for the period of two years subject to approval of Members in the Annual General Meeting. Shri Vikram Sanghani is one of the founder promoters of the Company and is associated with the Company since its inception. Shri Sanghani has, through his foresight and visionary approach, coupled with sound understanding of the software industry & financial issues, has led the Company to the path of growth. The remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as Report on Corporate Governance. This may be treated as an abstract of the terms and conditions for increase in remuneration of Shri Sanghani, as the Joint Managing Director, and this is to be treated as an abstract under Section 302 of the Companies Act, 1956. The Directors recommend the resolution at item 5 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution. Except Shri Vikram Sanghani, being the proposed beneficiary, , no other director of the company, is concerned and/or interested in this Resolution.

Item No. 6:

The Board of Directors of the Company had revised remuneration of Shri Sanjay Dhamsania, Joint Managing Director of the Company, with effect from 29th March, 2013, for the period of two years subject to approval of Members in the Annual General Meeting. Shri Sanjay Dhamsania is one of the founder promoters of the Company and is associated with the Company since its inception. Shri Dhamsania has, through his expertise in marketing, has led the Company to the path of growth. The remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as Report on Corporate Governance. This may be treated as an abstract of the terms and conditions for increase in remuneration of Shri Sanghani, as the Joint Managing Director, and this is to be treated as an abstract under Section 302 of the Companies Act, 1956. The Directors recommend the resolution at item 6 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution. Except Shri Sanjay Dhamsania, being the proposed beneficiary, no other director of the company, is concerned and/or interested in this Resolution.



DIRECTORS' REPORT

To,
The Members,
Ace Software Exports Ltd.
Rajkot.

Your Directors are pleased to present the **NINE-TEENTH ANNUAL REPORT** together with the Audited Financial Statements of your Company for the Financial Year ended on **31st March, 2013** is summarised below :

FINANCIAL RESULTS :

SR. No.	PARTICULARS	(Amt in Rs.)	
		2012-13	2011-12
1.	Revenue from Operation	3,75,08,634	2,54,57,739
2.	Other Income	71,86,752	80,83,103
3.	Total Revenue(1+2)	4,46,95,386	3,35,40,842
4.	Depreciation and Amortization	19,25,819	15,24,984
5.	Employee Benefit Expenses	86,92,188	68,71,316
6.	Finance Cost	2,14,675	45,676
7.	Other Expenses	2,99,24,033	2,14,39,740
7.	Profit / (Loss) Before Tax (PBT)	39,38,671	36,59,126
8.	Taxation	6,365	2,000
9.	Profit/(Loss) After Tax (PAT)	39,32,306	36,57,126
10.	Balance of Reserve & Surplus in Balance sheet	9,91,91,728	9,52,59,422

PERFORMANCE :

During the financial year 2012-13, your Company has achieved total Revenue from sale of Software Rs. 3,75,08,634 as compared to the turnover of Rs. 2,54,57,739/- of the previous year. The Net Profit of the Company stood at Rs. 39,32,306/- as compared to Rs. 36,57,126/- of the previous year.

DIVIDEND :

With a view to plough back profits of the year and in order to conserve resources for operational purposes, the Board of Directors of your Company do not recommend any dividend for the year.

BOARD'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) , of the Companies Act, 1956 with respect to Directors' Responsibility Statements, it is hereby confirmed that ::

- in the preparation of the annual accounts for the year ended on March 31, 2013, the applicable accounting standards, read with requirements set out under Schedule VI to the Companies act., 1956, have been followed and there are no material departures from the same.
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date ;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a 'going concern' basis.

TRADE RELATIONS :

The Board hereby places note of appreciation Empower your account and trade managers to improve customer value by increasing promotion spend efficiently and reducing the number of outstanding -with held from our account & trade promotion management solution.

The Management constantly endeavors to build strong and mutually respectable trade relations with them.

DIRECTORS :

Shri Vikram B Sanghani, and Shri Dharamsibhai R Vadalia, Directors are liable to retire by rotation and being eligible, offer themselves for reappointment. Further, the Board had revised remuneration of Shri Vikram Sanghani, and Shri Sanjay Dhamsania, Joint Managing Directors w.e.f. 29th March, 2013, subject to approval of Members at the ensuing Annual General Meeting. Members are requested to reappoint Directors and also approve revisions of remuneration of Joint Managing Directors. At Brief details of all Directors are given in the Report of Board on Corporate Governance forming part of this Report of Board of Directors.

CORPORATE GOVERNANCE :

Since inception, the Company laid emphasis on appropriate & timely disclosures and transparency in all business dealings. ASEL has been adhering to the corporate governance principles & practices since long. Your Company is regularly submitting its Corporate Governance Reports to stock exchanges where shares are listed. A detailed report on Corporate Governance is also annexed to this Report. Further, the Certificate, in relation to compliance of the corporate governance principles, obtained from M/s Kalaria & Sampat, Chartered Accountants, and statutory Auditors of the Company is annexed to this Report of Board.

AUDITORS :

M/s. Kalaria & Sampat, Chartered Accountants, and statutory Auditors of the Company, retire at this Annual General Meeting, and being eligible, offer themselves to be reappointed as such. The Company has received certificate from M/s. Kalaria & Sampat., Chartered Accountants, declaring that their appointment will fall within limits prescribed under Section 224(1B) of the Companies Act, 1956.

SECRETARIAL AUDIT REPORT :

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by M/s. MJP Associates, Practising Company Secretaries, Rajkot. The findings of the Secretarial Audit were satisfactory.

SUBSIDIARY COMPANIES :

ASEL has Seven Subsidiary Companies. In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual account of the subsidiary companies will also be kept open for inspections at the Registered Office of the

Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the Financial results of its subsidiary companies.

Sr. No.	Name of Subsidiary companies & Location	Percentage stake owned by Ace Software Exports Ltd. (%)
1	Ace Infoworld Pvt. Ltd. Rajkot (erstwhile Apex Advanced Technology Pvt. Ltd)	98.96%
2	Rajkot Computer Education Pvt. Ltd, Rajkot	100.00%
3	Aspire Exim Pvt. Ltd, Rajkot	100.00%
4	Cosmos Services Pvt. Ltd, Rajkot	100.00%
5	Citizen Solutions Pvt. Ltd, Rajkot	100.00%
6	Jubilant Exim Pvt. Ltd, Rajkot	100.00%
7	Speedwell Engineers Pvt. Ltd, Rajkot	100.00%

PARTICULARS OF EMPLOYEES:

There are no employees in the Company drawing remuneration more than the limits specified in the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) (Amendment) Rules, 2011.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217 (1)(e) of the companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed herewith and forms part of this Report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

Pursuant to the Provisions of the Section 205A (5) and 205 C of the Companies Act, 1956 relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the company, to the Investor Education and Protection Fund.

Pursuant to the provisions of the Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th September, 2012 (date of last Annual General Meeting) on the website of the Company (www.acesoftex.com) as also on the Ministry of Corporate Affairs website.

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the assistance and co-operation received from the investors, banks, regulatory and governmental authorities and Apex Co vantage, LLC USA for their continued co-operation during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff of the Company.

For and on behalf of Board of Directors,

(Sanjay H. Dhamsania) (Pratik C. Dadhaniya)
Jt. Managing Director Director
At Rajkot, Dated 29th May, 2013

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

1. Consumption & Conservation of energy

Your company operates in the business of Software Database Creation (e-Publishing) and does not have any conventional manufacturing or transforming activities. Hence, details of consumption of energy are not required to be furnished. Further, the Company is taking sufficient steps for the purpose of energy conservation.

2. Technology absorption

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

3. Foreign Exchange earnings and outgo

Particulars	2012-13	2011-12
Foreign Exchange earnings	USD 6,92,228.74	USD 4,75,777.99)
	(INR 3,75,08,634)	(INR 2,54,57,739)
Foreign Exchange Outgo	(USD NIL)	(USD NIL)
	(INR NIL)	(INR NIL)

4. Management Discussion and Analysis Report :

a. Industry Structure & Development :

Across markets, technology and innovation are being seen as growth drivers. Investment in innovation has emerged as a differentiator in the market place. Investment in technology has been enabling companies to connect with customers and influence their purchase decisions on a real-time basis. The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern and slow growth (1%-2%). In the emerging markets, strong consumer spending and upbeat investment sentiment continue to drive economic growth (5%-8%).

b. Opportunity, Threats and Outlook Risk & Concerns :

The large size of the addressable global market, with relatively low current level of penetration suggests significant headroom for future growth. The Company has positioned itself well for the growth in business with an aligned strategy, structure and capabilities.

c. Segment/Product wise performance :

The company's operation falls under single segment namely, "Computer Software and Services Exports", therefore segment wise performance is not furnished.

d. Internal control systems and their adequacy :

The Company has an effective Internal Control System in place and this is periodically reviewed for its effectiveness. There are well defined Power and Authority limits to ensure that assets of the Company are safeguarded and transactions are executed in accordance with the Corporate Policies. The company has a Cross-Functional Internal Audit team with pre-determined roles, responsibilities and authorities. The team ensures an appropriate information flow and effective monitoring. The findings and recommendations of the Team are reviewed by the Audit Committee periodically.

e. Discussion on financial performance with respect to operational performance:

The Financial Performance of the company, during the year under review, has been given separately in the Directors' Report.



Ace Software Exports Ltd.

CORPORATE GOVERNANCE

1. The Company's philosophy on Corporate Governance:

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental of the company.

2. Board of Directors:

Composition of the Board of Directors

The Board of Directors of the company as on 31st March, 2013 consists of Five directors out of which three (3) are Independent Non-Executive Directors and two (2) are Executive & Non-Independent Directors. The composition of the Board and other relevant details relating to Directors are given below : Composition of the Board, and directorships held as at 31st March, 2013 :

Name of the Directors Founder and Executive/Director	Designation	Age	Qualification	Other Directorship
Mr. Vikram Sanghani	Jt. Managing Director	50	MBA (Finance)	Ace Infoworld Pvt Ltd. Ace Infoway Pvt. Ltd. Ace eEngineersonline Pvt. Ltd. Rajkot Computer Education Pvt. Ltd. Ace Computer Education Pvt. Ltd. Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd. Everest Office Owners Asso. Pvt. Ltd. Ace Riverside Pvt. Ltd.
Mr. Sanjay Dhamsania	Jt. Managing Director	51	MS (Computer Science)	Ace Infoworld Pvt Ltd. Ace Infoway Pvt. Ltd. Ace eEngineersonline Pvt. Ltd. Rajkot Computer Education Pvt. Ltd. Ace Computer Education Pvt. Ltd. Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd. Everest Office Owners Asso. Pvt. Ltd. Ace Riverside Pvt. Ltd.
Independent & Non Executive Director	Designation	Age	Qualification	Other Directorship
Mr. Pratik C Dadhaniya	Director	41	Graduate in Architecture	Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd.
Mr. Vimal Kalaria	Director	40	Post Graduate Diploma in Finance	Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd.
Mr. Dharamsibhai Vadalia	Director	61	Under Graduate	Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd. Dipak Agro Oil Mill Pvt. Ltd.

Details of Directors' Shareholding and other Directorship/Committee Membership /Chairmanship

Name of Director	Category	No. of shares held in the company	No. of other Director Ship @@	No. of memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson	No. of Board meetings attended	Whether attended last AGM
Vikram Sanghani	Executive & Non Independent	6,61,484 [*]	10	1	-	6	No
Sanjay Dhamsania	Executive & Non Independent	7,11,578 [*]	10	1	-	6	Yes
Pratikumar Dadhaniya	Non-Executive & Independent	Nil	5	3	2	6	Yes ¹
Vimal Kalaria	Non-Executive & Independent	1000	8	2	2	6	Yes
Dharamshi Vadalia	Non-Executive & Independent	Nil	6	3	1	6	No

@@ Excludes directorship in Ace Software Exports Ltd but includes all private and unlisted Public Limited Companies

* Includes shares held jointly with Mr. Sanjay H Dhamsania as partner of Ace Technologies and in HUF

Includes shares held in individual capacity and HUF Account but does not include shares held jointly with Mr Vikram B. Sanghani as partner of Ace Technologies

Board Meetings

The Board of Directors met 6 times during the year 2012-13.



3. Audit Committee:

The Audit Committee of the Company consists of three Independent Directors, Mr. Vimal Kalaria, Mr. Pratik Dadhaniya and Mr. Dharmshibhai Vadalia. The Audit Committee met 4 times during the year

Name	Designation	No. of Committee meetings attended
Mr. Vimal L Kalaria	Chairman	4
Mr. Pratik C. Dadhaniya	Member	4
Mr. Dharamshibhai R. Vadalia	Member	4

Mr. Nellickal I. Thomas, Company Secretary, acts as the Secretary to the Committee.

4. Remuneration Committee:

The remuneration committee reviews and considers the matters in relation to salaries, benefits and other compensations payable to Directors and senior management personnel. The Remuneration Committee comprises of the following three Non-Executive-Independent Directors:

Name of Member	Designation	No. of Committee meetings attended
Vimal L Kalaria	Chairman	3
Dharamshibhai R Vadalia	Member	3
Pratik C. Dadhaniya	Member	3

Details of Remuneration paid to all the Directors:

The Executive directors are paid remuneration within the limit set out in the Schedule-XIII to the Companies Act, 1956 after consideration by the Remuneration Committee. The details of the remuneration paid are as under:

Name of Exec. Director	Salary (Rs.)	Medical Exp (Rs.)
Vikram B Sanghani	13,05,000	15,000
Sanjay H Dhamsania	13,05,000	15,000

The Company had not paid any setting fees to any of Directors

The composition of Non-Executive Directors on the Board gives transparency in decision making and also fulfils the mandatory requirement of Corporate Governance norms. The company pays remuneration to Non-Executive Directors by way of sitting fees.

5. Shareholders Committee:

i. Composition

Your company has constituted Shareholders Committee, for looking after and redressing the shareholders' complaints. The members of the committee are as follows:

Name of Member	Designation	Category
Dharamshibhai R. Vadalia	Chairman	Non-Executive Independent Director
Pratik C. Dadhaniya	Member	Non-Executive Independent Director
Vikram B. Sanghani	Member	Executive-Non Independent Director
Sanjay H. Dhamsania	Member	Executive-Non Independent Director

ii. Mr. Nellickal I. Thomas, Company Secretary, has been designated as the compliance officer of the company.

iii. The Company has not received any investors' complaints during the year 2012-2013, neither there was any pending investors' complaint as on 31st March, 2013.

6. General Body Meetings:

The details of the date, location, and time and of the Special Resolutions passed of/in the last three Annual General Meeting (AGM) of the company are given below:

Date of AGM	Time	Venue	Details of Special Resolutions passed
25.09.2010	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	No special Resolution passed in AGM 2010
29.09.2011	11:00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	No special Resolution passed in AGM 2011
29.09.2012	11:00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	No special Resolution passed in AGM 2012

The Company had not passed any Resolution through Postal Ballot process in last three years.

7. Disclosures:

i. Significant related party transactions:

There were no materially significant related party transactions, during the year-ended 31.03.2013 that may have any potential conflict with the interest of the company at large. Attention of the Members is drawn to the Disclosures of Transactions with Related Parties set out in Schedule-22 (Notes to Financial Statement) for the said year, forming part of the Annual Report.

ii. There have been no instances of non-compliances, on any matter during the last three-year and hence no penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI of any statutory authority, on any matter related to capital market during the last three years.

iii. The company through its internal control measures implements the Whistle Blower policy within the organization ensuring the access to the Audit committee by the personnel.

iv. Your company has complied with all the mandatory requirement of the Clause-49 of the Listing Agreement and also attempt to adopt the non-mandatory requirement.

v. Reconciliation of Share Capital Audit:

A firm of Practicing Company Secretaries carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

8. Means of Communications:

The Quarterly Results of the company are published in the leading English and Gujarati newspapers. Moreover, the Quarterly and Audited Results of the company are also displayed on the company's Website – www.acesoftex.com. The Company's website is in compliance of Clause 54 of the Listing Agreement entered into with the BSE Ltd.

9. General Shareholder's information:

i. Annual General Meeting:

Date	: 28 th September, 2013
Time	: 11.00 A.M.
Venue	: 801-"Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360001

As required under Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 28th September, 2013

ii. Financial Year:

Tentative Schedule for the Financial Year 2013-14:	
For the quarter ended on June 30, 2013	: First or second week of August 2013
For the quarter ended on September 30, 2013	: First or second week of November, 2013
For the quarter ended on December 31, 2013	: First or second week of February 2014
For the full year ended on March 31, 2014	: Third or fourth week of May 2014

iii. Date of Book Closure:

23rd September, 2013 to 27th September, 2013 (Both days inclusive)

iv. Dividend Payment Date:

As the Board of Directors' have not recommended any dividend on equity shares for FY 2012-13, hence no dividend is payable to the shareholders.

Ace Software Exports Ltd.

v. Listing on the Stock Exchange:

The equity shares of the Company are listed on The BSE Ltd., Mumbai. The Company is regular in payment of Annual Listing Fees to the BSE. There has been no change in share capital of the Company during the year 2012-2013

vi. Scrip/Stock Code/ISIN:

531525 - (The BSE Ltd., Mumbai)
ISIN : INE849B01010

vii. Market price:

Month	High	Low
April-12	10.55	10.03
May-12	9.81	9.13
June-12	9.13	6.80
July-12	7.35	6.50
August-12	7.51	6.25
September 12	7.70	6.90
October-12	10.55	7.23
November-12	10.71	9.55
December-12	10.50	9.32
January-13	10.10	9.00
February-13	10.55	8.40
March-13	10.95	9.35

viii. Performance in comparison to BSE Sensex:



ix. Registrar and Share Transfer Agent (RTA):

Link Intime India Pvt. Ltd (Ahmedabad Branch Office)
211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Ellisbridge, Ahmedabad-380 009 Phone/Fax- 079-26465179

x. Share Transfer System:

Your company has appointed the Registrar and Share Transfer Agent as named above to carry out the share registry work at the address given above.

xi. Distribution of Shareholding (As on 31st March, 2013):

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS	TOTAL SHARES	% OF SHARES/DEBENTURES
01 to 500	2958	84.1297	548121	11.7120
501 to 1000	307	8.7315	255853	5.4669
1001 to 2000	133	3.7827	203299	4.3440
2001 to 3000	36	1.0239	91478	1.9547
3001 to 4000	16	0.4551	57044	1.2189
4001 to 5000	14	0.3982	69010	1.4746
5001 to 10000	17	0.4835	125571	2.6831
10001 & above	35	0.9954	3329624	71.1458
TOTAL	3516	100.00	4680000	100.00

xii. Dematerialization of Shares :

The Equity Shares of the company are traded in the depository system of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on 31st March, 2013, 90.64 % of total paid up equity share capital as 31st March, 2013 of the company have been dematerialized.

xiii. Outstanding GDRs/ADRs/Warrants:

The Company has not issued any GDRs/ADRs/ warrants and hence there are no outstanding GDRs/ADRs/Warrants as on 31st March, 2013.

xiv. Facility Location:

- 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001.
- 801, Aalap – B, Opp. Shastri Maidan, Rajkot – 360 001.
- 3rd Floor, Raj-Laxmi Commercial complex, 16, Vijay Plot, Gondal Road, Rajkot – 360 001.

xv. Address for Correspondence:

The shareholders may correspond to the RTA on the above mentioned address and/or to the Company at Registered office of the company, as given below quoting respective Folio No. /Client ID:

The Company Secretary,
Ace Software Exports Ltd. 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001
Phone – + 91 281 222 6097, 304 7851, Fax: +91 281 223 2918 Email: investorinfo@acesoftex.com

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT {Clause 49(l) (d)}

The Company has laid down and adopted "Code of Conduct" for all Board Members and core management team of the Company. The Company believes that such Code of Conduct is necessary for best Corporate Governance practices, and expects that all Board Members and Core management team adhere to this Code of Conduct.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place:- Rajkot
Date:- 29.05.2013

(Sanjay H. Dhamsania)
Jt. Managing Director

(Pratik C Dadhaniya)
Director

MANAGING DIRECTOR'S CERTIFICATE FOR FINANCIAL STATEMENTS (CLAUSE 49V OF LISTING AGREEMENT)

We have reviewed financial statements and cash flow statements for the financial year 2012-13 ended on 31st March, 2013, and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- No transactions entered into by the Company during the aforesaid year, which are fraudulent, illegal or in violation of the Company's code of conduct. Further, we accept that it is our responsibility to establish and maintain internal controls. We have evaluated the effectiveness of internal control system of the Company and have disclosed to the auditors and the Audit Committee, wherever applicable:
 - Deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/proposed to be taken to rectify these deficiencies
 - Significant changes in the internal control during the year
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
 - Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place:- Rajkot
Date:- 29/05/2013

(Sanjay H. Dhamsania)
Jt. Managing Director

(Pratik C Dadhaniya)
Director



To,
The Members,
ACE SOFTWARE EXPORTS LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **ACE SOFTWARE EXPORTS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profits for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Kalaria & Sampat,
Chartered Accountants
[Firm's Registration No.104570W]
Atul M. Kalaria
Partner

Rajkot, Dated 29th May 2013

Membership No. 41432

Statement on the Companies (Auditor's Report) Order, 2003

To,
The Members,
ACE SOFTWARE EXPORTS LIMITED
Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets and the going concern status of the company is not affected.
- (ii) The Company's nature of operation is such that the inventories cannot be physically verified. Accordingly Clause 4(ii) of the Order is not applicable.
- (iii) The company has granted loan to one company covered in the register maintained under Sec 301 of the Companies Act, 1956. Maximum amount involved during the year was Rs. 4,38,950 .
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to, fixed assets and with regard to the sale services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956;
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company. Accordingly clause 4(viii) of the Order is not applicable.
- (ix) In respect of statutory dues;
 - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, value added tax, service tax, customs duty, excise duty and cess were in arrears, as

at 31st March, 2013 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, sales tax, value added tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us, the company has no accumulated losses and has not incurred cash losses during the financial year under audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Clause 4(xii) of the Order is not applicable.
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi /Mutual benefit fund/ society. Accordingly, Clause 4(xiii) of the Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the company has maintained proper records and contracts with respect to its investment and timely entries have been made therein. All investments are held by the company in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.
- (xvi) The Company has not obtained any term loans. Accordingly, clause 4(xvi) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us and on overall examination of Financial Statement of the company, we report that no funds raised on short term basis have been used for long term purposes.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, Clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued any debentures. Accordingly, Clause 4(xix) of the Order is not applicable.
- (xx) The company has not raised any money by public issues during the year. Accordingly the Clause 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,
Chartered Accountants
[Firm's Registration No.104570W]

Atul M. Kalaria
Partner
Membership No.41432

Rajkot, Dated 29th May 2013



Ace Software Exports Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2013

			(in Rs.)	
	PARTICULARS	Note No.	31.03.2013	31.03.2012
I. EQUITY AND LIABILITIES:				
(1) Shareholder's Funds :				
(a) Share Capital		1	46,800,000	46,800,000
(b) Reserves & Surplus		2	99,191,728	95,259,422
(2) Non-current Liabilities				
(a) Other Long Term Liabilities		3	73,642	73,642
(3) Current Liabilities				
(a) Short Term Borrowings		4	1,668,217	-
(b) Trade Payable		5	2,125,917	1,567,628
(c) Other Current Liabilities		6	1,551,878	3,940,740
(d) Short-Term Provisions		7	71,620	45,638
	Total		151,483,002	147,687,070
II. ASSETS:				
(1) Non-current Assets				
(a) Fixed Assets		8		
(i) Tangible Assets			17,895,436	16,510,753
(ii) Intangible Assets			1,680,167	1,735,287
(b) Non-current Investments		9	51,144,887	48,186,764
(c) Long-term Loans and Advances		10	22,299,474	7,319,474
(d) Other Non-Current Assets		11	3,888,918	3,349,005
(2) Current Assets				
(a) Current Investments		12	25,664,547	27,779,505
(b) Inventories			1,480,500	2,412,437
(c) Trade Receivables		13	2,965,041	-
(d) Cash & Cash Equivalents		14	4,696,057	2,020,069
(e) Short-term Loans and Advances		15	19,452,160	27,646,142
(f) Other Current Assets		16	315,815	10,727,633
	Total		151,483,002	147,687,070
Significant Accounting Policies	A to J			
Notes to Accounts	1 to 31			

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

			(in Rs.)	
	PARTICULARS	Note No.	31.03.2013	31.03.2012
I.	Revenue from operations	17	37,508,634	25,457,739
II.	Other Income	18	7,186,752	8,083,103
III.	Total Revenue (I + II)		44,695,386	33,540,842
IV. Expenses				
(a)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		931,937	715,581
(b)	Employee benefit expense	19	8,692,188	6,871,316
(c)	Finance Costs	20	214,675	45,676
(d)	Depreciation and amortization expense	8	1,925,819	1,524,984
(e)	Other expenses	21	28,992,096	20,724,159
	Total Expenses		40,756,715	29,881,716
V.	Profit/(Loss) before tax (III-IV)		3,938,671	3,659,126
VI.	Tax expense:			
(1)	Current tax		185,451	91,000
	Less : MAT credit entitlement		179,086	89,000
	Net current tax		6,365	2,000
VII.	Profit/(Loss) for the period (V-VI)		3,932,306	3,657,126
VIII.	Earning per equity share (Face value per share is Rs.10/-):			
(1)	Basic		0.84	0.78
(2)	Diluted		0.84	0.78
Significant Accounting Policies	A to J			
Notes to Accounts	1 to 31			

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR



CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

		(in Rs.)
Particulars	31.03.2013	31.03.2012
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	3,938,671	3,659,126
Adjustments for :		
Depreciation & other non cash charges	1,925,819	1,524,984
Dividend Income	(3,074,843)	(3,384,885)
Surplus/loss on sale of Investments/Assets	2,040,901	204,705
Interest Income	(3,003,213)	(3,318,717)
Interest Expences	214,675	23,578
Operating Profit before working capital changes	2,042,010	(1,291,209)
Adjustments for :		
Increase/(decrease) in current & non current liabilities	(1,830,573)	(535,494)
(Increase)/decrease in current & non current assets	1,327,313	7,011,804
Cash generated from Operations	1,538,750	5,185,101
Direct taxes paid (net of refunds)	(216,371)	-
Cashflow before extra-ordinary items	1,322,379	5,185,101
Net cashflow from operating activities	1,322,379	5,185,101
B. Cashflow from investing activities		
Purchase of Fixed Assets	(3,255,382)	(3,268,137)
Sale/Purchase of Investments (Net)	(2,922,158)	(7,679,812)
Interest Received	3,003,213	3,318,717
Dividend Income	3,074,843	3,384,885
Net cash generated/used in investing activities	(99,484)	(4,244,347)
C. Cashflow from financing activities		
Short term Borrowings	1,668,217	-
Interest paid	(214,675)	(23,578)
Net cash generated/used in financing activities	1,453,542	(23,578)
Net increase in cash and cash equivalent	2,676,437	917,175
Cash and cash equivalent as at 31.3.2012 (Opening Balance)	1,703,828	786,652
Cash and cash equivalent as at 31.3.2013 (Closing Balance)	4,380,265	1,703,827

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement issued by ICAI

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR

AUDITORS REPORT

We have examined the above cash flow statement and the same is in accordance with the SEBI requirement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet covered by our report of even date.

For KALARIA & SAMPAT
Chartered Accountants

Atul M. Kalaria
PARTNER
Membership No. 41432



Significant Accounting Policies

Accounting Policies:

Accounts are prepared on the basis of Going Concern concept and under the Historical Cost Convention. The Company generally follows Mercantile System of accounting, recognizes Income & Expenditure on accrual basis in preparation of its accounts and complies with generally accepted accounting principles in India and relevant provisions of the Companies Act, 1956.

A) Revenue Recognition:

Revenue from the sale of software is recognized when the rendering of services under a contract is completed.

Dividend income is recognized when right to receive is established.

Profit/Loss on sale of investments is recognized on sale of investments.

Interest on deployment of surplus funds is recognized using the time-proportion method based on interest rates implicit in the transaction.

B) Expenditure:

Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses. The company provides for leave encashment and Bonus in the year of payment.

C) Employee Benefits:

Company's contributions paid/payable during the year to Employee State Insurance, Provident Fund, Gratuity are recognized in the Profit and Loss Account as per revised Accounting Standard 15.

D) Fixed Assets, Intangible assets & Capital Work-in-Progress:

Fixed assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to their working condition for intended use.

E) Depreciation:

Depreciation has been provided on Straight Line Method in accordance with the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

F) Investments:

Investments are classified into non current investments and current investments.

Non current investments are carried at cost inclusive of all expenses incidental to their acquisition. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are stated at lower of cost or fair market value.

The change in carrying amount of current investments, if any, is charged or credited to the profit and loss account as the case may be.

G) Inventories:

Inventories are valued only for final products at the rates contained in customers pro-forma invoice, as the sale is assured under a contract.

H) Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense.

I) Provision for Current & Deferred Tax:

Current Tax: Provision is made for income tax on yearly basis, under the tax-payable method, based on tax liability, as computed after taking credit for allowances and exemptions.

Deferred Tax: Deferred tax liability or assets is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

J) Impairment of Assets

At each balance sheet date, the management reviews the carrying amount of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of the useful life. The assets were last impaired on 31.03.2008 by decreasing the value of Assets by Rs. 71,00,000.

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

VIMAL L. KALARIA
DIRECTOR

PRATIK C. DADHANIYA
DIRECTOR



1. Share Capital

1.1 Details relating to Authorised, Issued, Subscribed & Paid up Share Capital

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
I Authorised Share Capital:		
60,00,000 Equity Shares of Rs.10/- each with voting rights	60,000,000	60,000,000
II Issued, Subscribed & Paid-up Share Capital:		
46,80,000 Equity Shares of Rs.10/- each fully paid up with voting rights	46,800,000	46,800,000
	46,800,000	46,800,000

1.2 Reconciliation of the Share Capital

Particulars	31.03.2013	
	No. of shares	Rs.
(a) Shares outstanding as at the beginning of the year	4,680,000	46,800,000
(b) Shares issued during the year	-	-
(c) Shares bought-back during the year	-	-
(d) Shares outstanding as at the end of the year	4,680,000	46,800,000
Particulars	31.03.2012	
	No. of shares	Rs.
(a) Shares outstanding as at the beginning of the year	4,680,000	46,800,000
(b) Shares issued during the year	-	-
(c) Shares bought-back during the year	-	-
(d) Shares outstanding as at the end of the year	4,680,000	46,800,000

1.3 The Company has only one class of shares of face value of Rs. 10 each carrying one voting right for each equity share held.

1.4 Details of shareholders holding more than 5% ordinary equity shares as on Balance Sheet date

Name of the shareholders	31.03.2013	
	No. of shares	% to total
1 Sanjay Harilal Dhamsania & Madhavi Sanjay Dhamsania	580,978	12.41%
2 Vikram B. Sanghani	543,773	11.62%
3 Jay Bhupatbhai Sanghani, Vikram B. Sanghani & Bhupat C. Sanghani	318,049	6.80%
	1,442,800	30.83%
Total no. of shares of the company	4,680,000	
Name of the shareholders	31.03.2012	
	No. of shares	% to total
1 Vikram B. Sanghani, Sanjay Harilal Dhamsania & Rahul J. Kalaria	390,000	8.33%
2 Sanjay Harilal Dhamsania & Madhavi Sanjay Dhamsania	367,700	7.86%
3 Vikram B. Sangani	348,775	7.45%
4 Jay Bhupatbhai Sanghani, Vikram B. Sanghani & Bhupat C. Sanghani	269,300	5.75%
	1,375,775	29.40%
Total no. of shares of the company	4,680,000	

2. Reserves & Surplus

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1 Capital Reserve		
As per last Balance Sheet	675,261	675,261
2 Capital Redemption Reserve		
As per last Balance Sheet	10,200,000	10,200,000
3 General Reserve		
As per last Balance Sheet	3,047,798	3,047,798
4 Surplus in the Statement of Profit & Loss		
Opening Balance	81,336,363	77,679,237
Add: Net Profit for the Current Year	3,932,306	3,657,126
Closing Balance	85,268,669	81,336,363
TOTAL	99,191,728	95,259,422

3. Other Long-term Liabilities

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1. Trade Payables	73,642	73,642
TOTAL	73,642	73,642

4. Short-term Borrowings

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1. Loans repayable on demand (Secured) :		
From Banks		
Bank of Baroda	1,668,217	-
(Secured over the Company's Fixed Deposit Receipt)		
TOTAL	1,668,217	-

5. Trade Payables

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1. Trade payables	2,125,917	1,567,628
TOTAL	2,125,917	1,567,628

6. Other Current Liabilities

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
Income received in Advance	1,800	-
Unclaimed dividends	315,792	404,213
Other Payables :		
1 Statutory Remittances	185,745	122,162
2 Security Deposits Received	106,000	288,000
3 Advance from Customers	-	2,484,587
4 Expenses payable	6,650	45,747
5 Employee Benefits	935,891	596,031
TOTAL	1,551,878	3,940,740

7. Short-term Provisions

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
Others		
1 Provision for tax		
Wealth Tax	56,450	45,638
Current Tax*	15,170	-
*Net of TDS Rs. 170,281 as at 31st March, 2013		
TOTAL	71,620	45,638

8. FIXED ASSETS

(in Rs.)

Particulars	Gross Block			Accumulated Depreciation			IMPAIRMENT		NET BLOCK		
	Balance as at 01.04.2012	Additions	Disposals	Balance as at 31.03.2013	Balance as at 01.04.2012	Depreciation charge for the year	Balance as at 31.03.2013	AS ON 31.03.2012	AS ON 31.03.2013	Balance as at 31.03.2012	Balance as at 31.03.2013
(A) Tangible Assets :											
Office & Residential Premises	11,396,971	506,508	-	11,903,479	2,542,808	191,997	2,734,805	-	-	8,854,163	9,168,674
Computers & Peripherals	31,639,310	668,620	-	32,307,930	26,976,980	754,276	27,731,256	1,700,000	1,700,000	2,962,330	2,876,674
Furniture & Fixtures	7,863,847	114,678	-	7,978,525	3,664,654	132,642	3,797,296	2,650,000	2,650,000	1,549,193	1,531,229
Office Equipments	7,077,856	294,033	-	7,371,889	2,819,419	92,928	2,912,347	2,750,000	2,750,000	1,508,437	1,709,542
Motor Car	3,912,393	1,412,929	-	5,325,322	2,275,763	440,242	2,716,005	-	-	1,636,630	2,609,317
Total (A)	61,890,377	2,996,768	-	64,887,145	38,279,624	1,612,085	39,891,709	7,100,000	7,100,000	16,510,753	17,895,436
(B) Intangible Assets											
Computer Software	1,840,743	258,614	-	2,099,357	105,456	313,734	419,190	-	-	1,735,287	1,680,167
Total (B)	1,840,743	258,614	-	2,099,357	105,456	313,734	419,190	-	-	1,735,287	1,680,167
GRAND TOTAL [A+B]	63,731,120	3,255,382	-	66,986,502	38,385,080	1,925,819	40,310,899	7,100,000	7,100,000	18,246,040	19,575,603
PREVIOUS YEAR'S FIGURES	60,462,981	3,268,137	-	63,731,118	36,860,096	1,524,984	36,860,097	7,100,000	7,100,000	16,502,886	18,246,040

9. Non-current Investments

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1 Other Investments (Valued at cost unless otherwise stated)		
Investment property		
Plot of land at Munjka Dist : Rajkot	5,882,466	5,773,664
Plot of land at Sitvan Dist : Rajkot	153,509	153,509
Investment in Equity Instruments of Subsidiary Companies (Unquoted - fully paid up)		
Rajkot Computer Education Private Limited 1000 Equity Shares of Rs. 100 each	496,960	496,960
Ace Infoworld Private Limited 6,31,525 Equity Shares of Rs. 10 each	20,581,369	20,581,369
Aspire Exim Pvt.Ltd 10,000 Equity Shares of Rs. 10 each	100,000	100,000
Citizen Solution Pvt.Ltd 10,000 Equity Shares of Rs. 10 each	100,000	100,000
Cosmos Services Pvt.Ltd 10,000 Equity Shares of Rs. 10 each	100,000	100,000
Jubilant Exim Pvt.Ltd 10,000 Equity Shares of Rs. 10 each	100,000	100,000
Speedwell Engineers Pvt.Ltd 10,000 Equity Shares of Rs. 10 each	100,000	100,000
of Other Entities (Unquoted - fully paid up)		
Ace Computer Education Private Limited 1,26,200 Equity Shares of Rs. 10 each	1,262,000	1,262,000
Rajkot Oilcake Private Limited 10 Equity Shares of Rs. 10 each	100	100
Investment in Mutual Funds (Quoted)		
837 units of Franklin India - Prima (Dividend Reinvestment Plan)	4,917,077	5,030,405
1,504 units of Franklin India - Bluechip Fund (Dividend Reinvestment Plan)	8,560,496	7,328,493
3,614 units of Franklin India - Flexi Cap (Dividend Reinvestment Plan)	4,590,910	4,060,264
1,29,911 units of DSP Black Rock Equity	2,100,000	1,500,000
7,888 units of HDFC Equity Fund	2,100,000	1,500,000
Aggregate amount of Quoted Investments	22,268,483	19,419,162
Aggregate market value of Quoted Investments	22,108,466	18,016,207
Aggregate amount of Unquoted Investments	22,840,429	22,840,429
TOTAL	51,144,887	48,186,764



10. Long-term Loans & Advances			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
1	Capital Advances (Unsecured, considered good unless otherwise stated)	15,000,000	20,000
2	Security Deposits	7,299,474	7,299,474
TOTAL		22,299,474	7,319,474
<hr/>			
11. Other Non-Current Assets			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
1	Balances with banks	3,888,918	3,349,005
TOTAL		3,888,918	3,349,005
<hr/>			
12. Current Investment			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
1	Other Current Investments (At Lower of cost and fair value, unless otherwise stated)		
	Investment in Equity Instruments (Quoted, fully paid up)		
	Delta Corp Ltd. 5,000 Equity Shares of Rs. 1 each	204,500	291,805
	Indian Oil Corporation Ltd. 366 Equity Shares of Rs. 10 each	96,112	96,112
	Indian Metals & Ferro Alloys Ltd. 100 Equity Shares of Rs. 10 each	22,860	31,540
	J.B.Chemicals and Pharmaceuticals Ltd. 2000 Equity Shares of Rs. 2 each	122,200	122,200
	B L Kashyap Ltd 10000 Equity Shares of Rs. 1 each	72,900	102,900
	(Market value of shares as on 31.03.2013 is Rs. 5,50,371)		
	Investment in Mutual Funds (Quoted, fully paid up)		
	19,83,942 units of HDFC Cash Management Fund (Treasury Advantage Plan)	14,634,675	16,623,648
	10,51,130 units of HDFC FMP 463D January 2012 (1) Growth Plan	10,511,300	10,511,300
	Aggregate amount of Quoted Investments	25,664,547	27,779,505
	Aggregate market value of Quoted Investments	26,847,601	27,974,404
	Aggregate Provision for Diminution in value of other current investments	103,746	209,029
TOTAL		25,664,547	27,779,505
<hr/>			
13. Trade Receivables			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
	Other Trade Receivables (Unsecured, considered good)	2,965,041	-
TOTAL		2,965,041	-
<hr/>			
14. Cash & Bank Balance			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
1	Cash & Cash Equivalents		
	Cash on Hand	58,348	75,069
	Balances with Banks	4,321,917	1,628,758
		4,380,265	1,703,827
2	Other Bank Balances		
	Earmarked balances with banks		
	Unpaid Dividend Accounts	315,792	316,242
		315,792	316,242
TOTAL		4,696,057	2,020,069
<hr/>			
15. Short-term Loans & Advances (Unsecured considered good)			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
1	Loans & Advances to Employees	122,214	83,092
2	Pre-paid Expenses	30,282	24,214
3	Balances With Government Authorities	4,107,048	2,563,977
4	Other Short-term Loans & Advances	15,192,616	24,974,859
TOTAL		19,452,160	27,646,142
<hr/>			
16. Other Current Assets			
Particulars		31.03.2013	31.03.2012
		Rs.	Rs.
1	Interest accrued on deposits	272,339	497,090
2	Other Current Assets	43,476	10,230,543
TOTAL		315,815	10,727,633

17. Revenue from Operations		
Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Revenue from sale of software	37,508,634	25,457,739
TOTAL	37,508,634	25,457,739
18. Other Income		
Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Interest Income		
Interest from Banks on Deposits	352,148	328,870
Interest on Loans and Advances	2,651,065	2,989,847
2 Dividend Income		
from Current Investments	2,023,627	1,747,493
from Long Term Investments	1,051,216	1,637,392
Foreign Exchange Fluctuation	-	92,447
Rental Income	1,076,150	1,269,000
Excess Provision of Income Tax	-	3,172
Miscellaneous Income	5,400	14,882
Provisions no longer required written back	27,146	-
TOTAL	7,186,752	8,083,103
19. Employee benefit expenses		
Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Salaries & wages	8,258,723	6,458,148
2 Contribution to provident and other funds	334,589	339,958
3 Staff welfare expense	98,876	73,210
TOTAL	8,692,188	6,871,316
20. Finance Costs		
Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Interest Expenses on Borrowings		
Interest paid on Overdraft	166,227	-
2 Other Borrowing Costs		
Bank Charges	48,448	45,676
TOTAL	214,675	45,676
21. Operating & Other Expenses		
Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
Operating Expenses		
Software Sourcing Charges	22,063,047	16,662,269
Other Expenses		
Power And Fuel	912,577	636,239
Rent	180,000	165,300
Repairs & Maintenance	474,816	261,813
Insurance	43,206	44,690
Rates & Taxes	198,009	198,009
Travelling & Conveyance	1,030,698	480,698
Printing & Stationery	448,878	475,198
Legal & Professional Fees	914,467	917,823
Payments To Auditors		
Statutory Audit	44,944	44,120
Taxation Matters	11,236	11,030
Net Loss on Sale of Investments	2,040,901	204,705
Donation	81,101	3,501
Wealth Tax Expenses	56,450	45,638
Office Expenses	206,806	119,357
Security Expenses	58,000	50,800
Miscellaneous Expenses	226,960	402,969
TOTAL	28,992,096	20,724,159

Ace Software Exports Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST March 2013

22 Related Party Disclosure:

Disclosure required as per Accounting Standard 18 (AS 18), "Related party disclosure" of the ICAI is as follows:

1. List of related parties and relationships

No.	Related Party	Nature of Relationship
1	Ace Software Exports	Associate
2	Sanjay Dhamsania	Key Management Personnel
3	Vikram Sanghani	Key Management Personnel
4	Rajkot Computer Education Pvt. Ltd.	Wholly Owned Subsidiary
5	Jubilant Exim Pvt. Ltd.	Wholly Owned Subsidiary
6	Speedwell Engineers Pvt. Ltd.	Wholly Owned Subsidiary
7	Cosmos Services Pvt. Ltd.	Wholly Owned Subsidiary
8	Citizen Solutions Pvt. Ltd.	Wholly Owned Subsidiary
9	Aspire Exim Pvt. Ltd.	Wholly Owned Subsidiary
10	Ace InfoWorld Pvt. Ltd.	Subsidiary

(Amount in Rs.)

Particulars	Subsidiary	Associate	Key Management Personnel
Rent		42,000	
Loans given	4,38,950		
Loans taken			49,50,000
Repayment of Loan taken			49,50,000
Interest Paid/Payable			1,47,662
Directors' Remuneration			26,10,000
Reimbursement of Medical Expenses			30,000
Managerial Commission			268,330

23 Segment Reporting:

The company's operations fall under single segment namely Computer Software and Services Exports, hence Segment wise information is not furnished.

24 Deferred Tax Liabilities/(Assets):

Particulars	Current Year Charge/(Credit)
Difference between book and tax depreciation, etc. (Related to Fixed Assets)	10,58,260
Unabsorbed Depreciation of A.Y. 2009-10 adjusted during year	19,84,476
Net Timing Difference	30,42,736
Deferred Tax Liabilities	(9,40,205)

The Deferred Tax Liabilities of the Current Year amounting to Rs. 9,40,205/- is not recognized as there is no virtual certainty supported by convincing evidence that there will be sufficient future taxable income against which such deferred tax assets can be realized.

25 Earning Per Share (EPS) Calculation (basic and diluted):

Particulars	Unit	2012-13	2011-12
a) Amount used as the numerator Profit after taxation	Rs. in Lac	39.32	36.47
b) Weighted average number of equity shares used as the denominator	No.	46,80,000	46,80,000
c) Nominal value of shares	Rs. in Lac	468.00	468.00
d) Earnings per share (Basic)	Rs.	0.84	0.78

26 Payment to Auditors:

Particulars	2012-13	2011-12
Statutory & Tax Audit, Income Tax & Other matters	50,000	50,000
Service Tax	6,180	5,150
Total	56,180	55,150

27 Earnings and Expenditure in Foreign Exchange:

Particulars	Units	2012-13	2011-12
Export Value of Database Creation	US \$	6,92,228.74	4,75,777.99
Advance from Customer	US \$	-	48,750.84
Expenditure in Foreign Currency			
- Capital Expenditure	US \$	Nil	Nil
- Revenue Expenditure	US \$	Nil	Nil

28 Contingent Liabilities

NIL

29 The outstanding balances as at 31.03.2013 in respect of certain Sundry Creditors, Loans & Advances and deposits are subjected to confirmation from respective parties and consequential reconciliation and or adjustments arising there from, if any. The Management, however, does not expect any material variation.

30 According to the opinion of the Management the value of realization of current assets, loans & advances and other receivables in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

31 Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable.

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
J.T.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR



COMPLIANCE CERTIFICATE

**TO THE MEMBERS OF
ACE SOFTWARE EXPORTS LTD.**

We have examined the compliance of the conditions of Corporate Governance by Ace Software Exports Ltd. for the year ended on March 31, 2013, as stipulated in Clause 49 of Listing Agreement of the said company with stock the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Kalaria & Sampat,
Chartered Accountants
[Firm Registration No. 104570W]

Atul M. Kalaria
Partner
Membership No. 41432
Rajkot, Dated 29th May, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
relating to Subsidiary Companies**

1. Name of Subsidiary	Aspire Exim Pvt. Ltd.	Citizen Solutions Pvt. Ltd.	Cosmos Services Pvt. Ltd.	Jubilant Exim Pvt. Ltd.	Speedwell Engineers Pvt. Ltd.	Rajkot Computer Education Pvt. Ltd.	Ace InfoWorld Pvt. Ltd.
2. Financial year of the subsidiary ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
3. Shares of the subsidiary held by the Company							
a) Number and face value of shares	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	1,000 Equity shares of Rs. 100/- each fully paid up	6,31,525 Equity shares of Rs. 10/- each fully paid up
b) Extent of holding	100%	100%	100%	100%	100%	100%	98.62%
4. Net aggregate of profits / (losses) so far it concern the members of the subsidiary for the above financial year							
a) dealt with in the accounts of the Company for the current financial year.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the current financial year	23,880	19,475	17,138	17,136	40,348	(3,088)	(2,003,747)
5. Net aggregate of profits / (losses) so far it concern the members of the subsidiary for the previous financial years							
a) dealt with in the accounts of the Company for the previous financial year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the previous financial year	999,756	871,269	711,637	774,336	1,713,697	299,807	32,773,158

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR



RAJKOT, Dated 29th May, 2013

INDEPENDENT AUDITORS' REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Ace Software Exports Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ACE SOFTWARE EXPORTS LIMITED** ('the Company') and its subsidiaries collectively referred to as 'Group' which comprises the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss & Consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profits for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Kalaria & Sampat,
Chartered Accountants
(Firm's Registration No.104570W)

Atul M. Kalaria
Membership No. 41432
Partner

Rajkot, Dated 29th May, 2013

Ace Software Exports Ltd. - Consolidated
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	Note No.	31.03.2013	31.03.2012
I. EQUITY AND LIABILITIES :			
(1) Shareholder's Funds :			
(a) Share Capital	1	46,800,000	46,800,000
(b) Reserves & Surplus	2	120,370,039	118,294,614
(2) Minority Interest		506,735	534,387
(3) Non-current Liabilities			
(a) Long-term Borrowings	3	-	122,568
(b) Deferred Tax Liabilities (Net)		39,489	39,489
(c) Other Long Term Liabilities	4	73,642	73,642
(4) Current Liabilities			
(a) Short-term Borrowings	5	1,668,217	-
(b) Trade Payable	6	2,125,917	1,567,628
(c) Other Current Liabilities	7	1,972,498	5,646,675
(d) Short-Term Provisions	8	72,420	172,313
TOTAL		173,628,957	173,251,316
II. ASSETS :			
(1) Non-current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		21,587,967	21,105,588
(ii) Intangible Assets		1,695,801	1,761,344
(b) Non-current Investments	10	40,143,594	34,349,039
(c) Deferred Tax Assets (Net)		162,150	114,916
(d) Long-term Loans and Advances	11	22,319,961	7,339,961
(e) Other Non-Current Assets	12	3,940,251	3,400,338
(2) Current Assets			
(a) Current Investments	13	31,427,712	33,448,079
(b) Inventories [As taken, valued and certified by the Management]		1,480,500	2,412,437
(c) Trade receivables	14	2,965,041	-
(d) Cash & Cash Equivalents	15	5,536,636	5,873,493
(e) Short-term Loans and Advances	16	42,053,529	52,718,488
(f) Other Current Assets	17	315,815	10,727,633
TOTAL		173,628,957	173,251,316

Significant Accounting Policies : A to M
Notes to accounts : 1 to 24

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH,2013

PARTICULARS	Note No.	31.03.2013	31.03.2012
I. Revenue from operations	18	37,524,834	25,494,321
II. Other Income	19	10,160,417	10,815,893
III. Total Revenue (I+II)		47,685,251	36,310,214
IV. Expenses			
(a) Charges in inventories of finished goods, work-in-progress and Stock-in-Trade		931,937	715,581
(b) Employee benefit expense	20	8,692,188	6,871,316
(c) Finance Costs	21	295,849	224,150
(d) Depreciation and amortization expense		2,838,547	2,587,332
(d) Other expenses	22	32,924,151	20,960,098
Total Expenses		45,682,672	31,358,477
V. Profit before tax		2,002,579	4,951,737
VI. Tax expense:			
(1) Current tax		185,451	213,350
Less : MAT credit entitlement		179,086	89,000
Net current tax		6,365	124,350
(2) Deferred tax		(47,234)	(44,091)
VII Profit for the year (before adjustment for Minority Interest)		2,043,448	4,871,478
Add : Share of Loss transferred to Minority Interest		(27,652)	12,704
Profit for the year (after adjustment for Minority Interest)		2,071,100	4,858,774
VIII Earning per equity share (Face value per share is Rs. 10/-)			
(1) Basic		0.44	1.04
(2) Diluted		0.44	1.04

Significant Accounting Policies : A to M
Notes to accounts : 1 to 24

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.13

(Rs. In lakhs)

Particulars	31.3.2013	31.3.2012
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	20	50
Adjustments for :		
Depreciation & other non cash charges	28	26
Dividend Income	(35)	(45)
Loss on sale of Investments/Assets	20	2
Interest Income	(56)	(49)
Interest Expenses	(3)	2
Excess/short provision of earlier years		
Operating Profit before working capital changes	(24)	(14)
Adjustments for :		
Increase/(decrease) in current & non current liabilities	(17)	(38)
(Increase)/decrease in current & non current assets	38	34
Cash generated from Operations	(3)	(18)
Direct taxes paid (net of refunds)	(3)	-
Cashflow before extra-ordinary items	(7)	(18)
Net cashflow from operating activities	(7)	(18)
B. Cashflow from investing activities		
Purchase of Fixed Assets	(33)	(33)
Sale of Fixed Assets	-	2
Sale/Purchase of Investments (Net)	(58)	(29)
Interest Received	56	49
Dividend Income	35	45
Net cash generated/used in investing activities	(1)	34
C. Cashflow from financing activities		
Short term Borrowings	17	-
Loan Repaid	(16)	(17)
Interest paid	3	(2)
Net cash generated/used in financing activities	3	(19)
Net increase in cash and cash equivalent	(4)	(3)
Cash and cash equivalent as at 31.3.2012	56	59
(Opening Balance)		
Cash and cash equivalent as at 31.3.2013	52	56
(Closing Balance)		

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement issued by ICAI

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR

RAJKOT, Dated 29th May, 2013

AUDITORS REPORT

We have examined the above cash flow statement and the same is in accordance with the SEBI requirement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet covered by our report of even date.

For KALARIA & SAMPAT
Chartered Accountants
[Firm's Registration No. 104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432



RAJKOT, Dated 29th May, 2013

Ace Software Exports Ltd. - Consolidated
Notes to the Financial statements as at & for the year ended 31st March, 2013

1. Share Capital

1.1 Details relating to Authorised, Issued, Subscribed & Paid up Share Capital

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
I Authorised Share Capital:		
60,00,000 Equity Shares of Rs. 10/- each with voting rights	60,000,000	60,000,000
II Issued, Subscribed & Paid-up Share Capital:		
46,80,000 Equity Shares of Rs.10/- each with voting rights	46,800,000	46,800,000
TOTAL	46,800,000	46,800,000

2. Reserves & Surplus

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1 Capital Reserve		
As per last Balance Sheet	675,261	675,261
2 Capital Redemption Reserve		
As per last Balance Sheet	10,200,000	10,200,000
3 General Reserve		
As per last Balance Sheet	3,180,918	3,180,918
4 Surplus		
Opening Balance	83,266,725	78,175,780
Add: Net Profit/(Loss) for the Current Year	2,071,100	4,858,774
Excess/(Short) provision of the previous year	4,325	232,171
Closing Balance	85,342,150	83,266,725
5 Capital Reserve on Consolidation		
As per last Balance Sheet	20,971,710	20,971,710
TOTAL	120,370,039	118,294,614

3. Long-term Borrowings

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1 Term Loans (Secured)		
<i>From Banks</i>		
Kotak Mahindra Prime Ltd	-	122,568
[Secured against hypothecation of Vehicle]		
Terms of repayment: The loan is repayable in 36 equal monthly instalments of Rs. 1,23,300/- each, of which 3 instalments are outstanding as on the Balance Sheet date. Interest @ 7.75% p.a. is charged on the outstanding principal.		
Sub-total (A)	-	122,568

4. Other Long-term Liabilities

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1 Trade Payables	73,642	73,642
TOTAL	73,642	73,642

5. Short-term Borrowings

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1. Overdraft (Secured)		
From Bank of Baroda	1,668,217	-
(Secured over the Company's Fixed Deposit Receipt)		
TOTAL	1,668,217	-

6. Trade Payables

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1. Trade payables	2,125,917	1,567,628
TOTAL	2,125,917	1,567,628

7. Other Current Liabilities

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
1 Current maturities of Long-term borrowings		
Kotak Mahindra Prime Ltd.	365,272	1,641,329
2 Income received in Advance	1,800	-
3 Unclaimed dividends	315,792	404,213
4 Other Payables:		
Statutory Remittances	186,035	123,284
Security Deposits Received	106,000	288,000
Advance from Customers	-	2,484,587
Expenses payable	61,708	109,231
Employee Benefits	935,891	596,031
TOTAL	1,972,498	5,646,675

8. Short-term Provisions

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
Others		
Provision for tax		
Wealth Tax	57,250	45,638
Current Tax	15,170	122,350
Fringe Benefit Tax	-	4,325
TOTAL	72,420	172,313

9. FIXED ASSETS

(in Rs.)

Particulars	Gross Block			Accumulated Depreciation			IMPAIRMENT		NET BLOCK	
	Balance as at 01.04.2012	Additions	Balance as at 31.03.2013	Balance as at 01.04.2012	Depreciation Charge for the year	Balance as at 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012	As On 31.03.2013	As On 31.03.2012
(A) Tangible Assets :										
Office & Residential Premises	11,396,971	506,508	11,903,479	2,542,808	191,997	2,734,805	-	-	9,168,674	8,854,163
Computers & Peripherals	31,639,310	668,620	32,307,930	27,039,376	754,276	27,793,652	1,700,000	1,700,000	2,814,278	2,899,934
Furniture & Fixtures	7,834,762	114,678	7,949,440	3,664,654	132,642	3,797,296	2,650,000	2,650,000	1,502,144	1,520,108
Office Equipments	9,703,959	294,033	9,997,992	5,066,121	133,850	5,199,971	2,750,000	2,750,000	2,048,021	1,887,838
Vehicles	10,127,431	1,412,929	11,540,360	4,183,886	1,301,625	5,485,511	-	-	6,054,849	5,943,545
Total	70,702,433	2,996,768	73,699,201	42,496,845	2,514,390	45,011,235	7,100,000	7,100,000	21,587,966	21,105,588
(B) Intangible Assets										
Computer	3,437,393	258,614	3,696,007	1,676,049	324,157	2,000,206	-	-	1,695,801	1,761,344
Total	3,437,393	258,614	3,696,007	1,676,049	324,157	2,000,206	-	-	1,695,801	1,761,344
GRAND TOTAL [A+B]	74,139,826	3,255,382	77,395,208	44,172,894	2,838,547	47,011,441	7,100,000	7,100,000	23,283,767	22,866,932
PREVIOUS YEAR'S FIGURES	71,360,358	3,268,137	74,139,826	40,352,192	2,587,332	44,172,894	7,100,000	7,100,000	22,866,932	22,354,945

10. Non-current Investments

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Other Investments (Valued at cost unless otherwise stated)		
Investment property		
Plot of land at Munjka Dist : Rajkot	5,882,466	5,773,664
Plot of land at Sitvan Dist : Rajkot	153,509	153,509
Investment in Equity Instrument of Other Entities (Unquoted - fully paid up)		
Ace Computer Education Private Limited	1,262,000	1,262,000
1,26,200 Equity Shares of Rs. 10 each		
Rajkot Oilcake Private Limited	200	200
20 Equity Shares of Rs. 10 each		
Investment in Mutual Funds (Quoted)		
837 units of Franklin India - Prima (Dividend Reinvestment Plan)	4,917,077	5,030,405
1,504 units of Franklin India - Bluechip Fund (Dividend Reinvestment Plan)	8,560,496	7,328,493
3,614 units of Franklin India - Flexi Cap (Dividend Reinvestment Plan)	4,590,910	4,060,264
1,29,991 units of DSP Black Rock Equity	2,100,000	1,500,000
13,223 units of HDFC Equity Fund	2,349,100	1,727,758
10,04,162 units of HDFC Cash Management Fund-Treasury Advantage	10,083,257	7,292,948
13,913.149 units of Prudential ICICI Dynamic Fund	244,579	219,798
Aggregate amount of Quoted Investments	32,845,419	27,159,666
Aggregate market value of Quoted Investments	32,633,857	25,736,212
Aggregate amount of Unquoted Investments	1,262,200	1,262,200
TOTAL	40,143,594	34,349,039

11. Long-term Loans & Advances

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Capital Advances		
(unsecured, considered good unless otherwise stated)		
	15,000,000	20,000
2 Security Deposits	7,319,961	7,319,961
TOTAL	22,319,961	7,339,961

12. Other Non-Current Assets

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Balance with banks	3,888,918	3,349,005
2 Incidental Expenditure pending capitalisation	21,045	21,045
3 Miscellaneous Expenditure (to the extent not written off/adjusted)	30,288	30,288
	3,940,251	3,400,338

13. Current Investment

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Other Current Investments (At Lower of Cost and Fair Value, unless Otherwise Stated)		
Investment in Equity Instruments (Quoted, fully paid up)		
Delta Corp Ltd.	204,500	291,805
5,000 Equity Shares of Rs. 1 each		
Indian Oil Corporation Ltd.	96,112	96,112
366 Equity Shares of Rs. 10 each		
Indian Metals & Ferro Alloys Ltd.	22,860	31,540
100 Equity Shares of Rs. 10 each		
J.B. Chemicals and Pharmaceuticals Ltd.	122,200	122,200
2000 Equity Shares of Rs. 2 each		
B L Kashyap Ltd	72,900	102,900
10000 Equity Shares of Rs. 1 each		
(Market value of above shares as on 31.03.2013 is Rs. 5,50,371)		
Investment in Mutual Funds (Quoted, fully paid up)		
20,20,875 units of HDFC Cash Management Fund (Treasury Advantage Plan)	14,997,840	22,292,222
10,51,130 units of HDFC FMP 463D January 2012 (1) Growth Plan	10,511,300	10,511,300
2441 Units of Templeton India Short Term income	5,400,000	-
Aggregate amount of Quoted Investments	31,427,712	33,448,079
Aggregate market value of Quoted Investments	32,964,983	33,652,249
Aggregate Provision for Diminution in value of other current investments	103,746	209,029
TOTAL	31,427,712	33,448,079

14. Trade Receivables

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Other Trade Receivables (Unsecured, considered good)	2,965,041	-
TOTAL	2,965,041	-

15. Cash & Cash Equivalents

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Cash & Cash Equivalents		
Cash on Hand	485,587	487,699
Balances with Bank	4,735,257	5,069,552
	5,220,844	5,557,251
2 Other Bank Balances		
Earmarked balances with banks		
Unpaid Dividend Accounts	315,792	316,242
TOTAL	5,536,636	5,873,493

16. Short-term Loans & Advances

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1. Loans & Advances to Employees	122,214	83,092
2. Pre-paid Expenses	30,282	24,214
3. Balance with Government Authorities	4,612,773	2,906,692
4. Others Short-term Loans & Advances	37,288,260	49,704,490
TOTAL	42,053,529	52,718,488

17. Other Current Assets

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Interest accrued on deposits	272,339	497,090
2 Other Current Assets	43,476	10,230,543
TOTAL	315,815	10,727,633

18. Revenue from Operations

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Revenue from sale of products		
Export of Database Creation	37,524,834	25,494,321
TOTAL	37,524,834	25,494,321

19. Other Income

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
Interest-Others	5,564,452	4,936,860
Dividend Income	3,461,629	4,881,092
Foreign Exchange Fluctuation	-	92,447
Rental Income	1,076,150	1,269,000
Excess Provision of Income Tax	-	3,172
Income Tax Refund	5,400	14,882
Provisions no longer required written back	52,786	-
TOTAL	10,160,417	10,815,893

20. Employee benefit expenses

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Salaries & wages	8,258,723	6,458,148
2 Contribution to provident and other funds	334,589	339,958
3 Staff welfare expense	98,876	73,210
TOTAL	8,692,188	6,871,316

21. Finance Costs

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Interest Expenses on Borrowings		
Interest paid on Overdraft	166,227	-
Interest on Car Loan	81,174	177,722
2 Other Borrowing Costs		
Bank Charges	48,448	46,428
TOTAL	295,849	224,150

22. Other Expenses

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
1 Operating Expenses		
Software Sourcing Charges	22,063,047	16,662,269
2 Other Expenses		
Power And Fuel	912,577	636,239
Rent	180,000	165,300
Repairs & Maintenance	522,362	298,117
Insurance	161,277	155,251
Rates & Taxes	198,009	198,009
Travelling & Conveyance	1,030,698	480,698
Printing & Stationery	448,878	475,198
Legal & Professional Fees	914,467	949,547
Payments To Auditors		
Statutory Audit	78,653	89,064
Taxatation Matters	32,585	11,030
Net Loss on Sale of Investments	2,040,901	204,705
Donation	81,101	3,501
Wealth Tax Expenses	57,250	45,638
Office Expenses	206,806	119,357
Security Expenses	58,000	50,800
Miscellaneous Expenses	235,731	415,375
Balance Written Off	3,701,809	-
TOTAL	32,924,151	20,960,098

23. Related Party Disclosure:

Disclosure required as per Accounting Standard 18 (AS 18), "Related party disclosure" of the ICAI is as follows:

1. List of related parties and relationship

No.	Related Party	Nature of Relationship
1	Ace Software Exports	Associate
2	Sanjay Dhamsania	Key Management Personnel
3	Vikram Sanghani	Key Management Personnel

2. Transaction with related Parties

(Amount in Rs.)

Nature of Transaction	Accosicate	Key Management Personnel
Rent	42,000	-
Loans taken	-	49,50,000
Repayment of Loan taken	-	49,50,000
Interest Paid / Payable	-	1,47,662
Directors' Remuneration	-	26,10,000
Reimbursement of Medical Expenses	-	30,000
Managerial Commission	-	268,330

24. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable.

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
 CHARTERED ACCOUNTANTS
 [Firm's Registration No.104570W]

Atul M. Kalaria
 PARTNER
 Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
 JT.MANAGING DIRECTOR

VIMAL L. KALARIA
 DIRECTOR

N. I. THOMAS
 COMPANY SECRETARY

PRATIK C. DADHANIYA
 DIRECTOR

Significant Accounting Policies on Consolidated Financial Statements

A. Basis of consolidation

The consolidated financial statements of Ace Software Exports Limited and its subsidiaries are prepared under the historical cost convention and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the parent company.

B. Principles of consolidation

The consolidated financial statements include the financial statements of Ace Software Exports Limited and its subsidiaries. These have been prepared in accordance with the Accounting Standard 21 – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.

The subsidiaries considered in these consolidated financial statements are as under:

Name of Subsidiary	Percentage of Ownership Interest	
	As at 31.03.13	As at 31.03.12
Rajkot Computer Education Pvt. Ltd.	100.00%	100.00%
Jubilant Exim Pvt. Ltd.	100.00%	100.00%
Speedwell Engineers Pvt. Ltd.	100.00%	100.00%
Cosmos Services Pvt. Ltd.	100.00%	100.00%
Citizen Solutions Pvt. Ltd.	100.00%	100.00%
Aspire Exim Pvt. Ltd.	100.00%	100.00%
Ace Infoworld Pvt. Ltd.	98.62%	98.62%

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after eliminating inter-company transactions and balances.

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

The Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the company in the subsidiary companies and further movements, if any, in their share in the equity, subsequent to the date of investments.

C. Revenue Recognition

Revenue from the sale of software is recognized when the rendering of services under a contract is completed.

Dividend income is accounted on receipt basis.

Profit /Loss on sale of investment is recognized on sale of investments.

Interest on deployment of surplus funds is recognized using the time-proportion method based on interest rates implicit in the transaction.

D. Expenditure

Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses. The company provides for leave encashment and Bonus in the year of payment.

E. Employee Benefits:

Company's contributions paid/payable during the year to Employee State Insurance, Provident Fund are recognized in the Profit and Loss Account as per revised Accounting Standard 15, Gratuity is recognized in the Profit and Loss Account as per amount paid.

F. Fixed Assets

Fixed assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to their working condition for intended use.

G. Depreciation

Depreciation is provided by the parent company on Straight Line Method at the rates and manner prescribed in Schedule XIV of the Companies Act, 1956. The Subsidiary Ace InfoWorld Pvt. Ltd. provides depreciation on Written down basis at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.

No depreciation is provided for the year under review by the 100% subsidiaries as no business activities are carried on.

The consolidated Gross Block & Accumulated Depreciation includes the following:

Name of Subsidiaries	Gross Block (Rs)	Accumulated Depreciation (Rs)
Ace InfoWorld Pvt. Ltd.	1,04,08,706	67,00,541
Rajkot Computer Education Pvt. Ltd.	Nil	Nil
Jubilant Exim Pvt. Ltd.	Nil	Nil
Speedwell Engineers Pvt. Ltd.	Nil	Nil
Cosmos Services Pvt. Ltd.	Nil	Nil
Citizen Solutions Pvt. Ltd.	Nil	Nil
Aspire Exim Pvt. Ltd.	Nil	Nil

H. Investments

Investments are classified into non-current and current investments.

Non-current investments, including Subsidiaries are carried at cost inclusive of all expenses incidental to their acquisition. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are stated at lower of cost or fair market value.

The change in carrying amount of current investments, if any, is charged or credited to the profit and loss account as the case maybe.

I. Inventories

Inventories are valued only for final products at the rates contained in customers' pro-forma invoice, as the sale is assured under a contract.

J. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in which they arise.

Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense.

K. Income Tax

Current Tax: Provision is made for income tax on yearly basis, under the tax-payable method, based on tax liability, as computed after taking credit for allowances and exemptions.

Deferred Tax: Deferred Tax liability or assets is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

L. Impairment of Assets:

At each balance sheet date, the management reviews the carrying amount of its assets included in each Cash Generating Unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of the useful life.

M. Segment Information:

The primary operations of the group fall under a single business segment viz. Export of Computer Software. The 100% subsidiary company Rajkot Computer Education Pvt. Ltd. was engaged in providing IT education. However, this subsidiary has ceased its operations. Further the five new 100% subsidiaries formed during the financial year 2008-2009 have not commenced any commercial operations and hence there is no impact in the Profit & Loss account of the Consolidated Financial Statement. The group is engaged in the exports of computer software and has less than 10% of its revenues coming from the domestic market. In view of the above, geographical segment wise is not applicable.

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

Atul M. Kalaria
PARTNER
Membership No. 41432

RAJKOT, Dated 29th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIMAL L. KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PRATIK C. DADHANIYA
DIRECTOR

"In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies".

F.Y. 2012-13
Financial Information of Subsidiary Companies

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital Reserves		Total Assets	Total Liabilities	Investments	Turnover /Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
			INR	INR									
1	Rajkot Computer Education Pvt. Ltd.	INR	100000	296718	149549	8427	295080	8720	(3088)	-	(3088)	-	India
2	Ace Infoworld Pvt. Ltd.	INR	6404250	30773737	26983045	382093	10577036	8829038	(2050981)	(47234)	(2003746)	-	India
3	Aspire Exim Pvt. Ltd.	INR	100000	1023635	49906	6180	1079909	30705	23880	-	23880	-	India
4	Citizen Solutions Pvt. Ltd.	INR	100000	890744	51329	6180	945595	26300	19475	-	19475	-	India
5	Cosmos Services Pvt. Ltd.	INR	100000	728774	49753	6180	785201	23963	17138	-	17138	-	India
6	Jubilant Exim Pvt. Ltd.	INR	100000	791472	51828	6180	845824	23961	17136	-	17136	-	India
7	Speedwell Engineers Pvt. Ltd.	INR	100000	1754045	48669	6180	1811556	47178	40348	-	40348	-	India





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