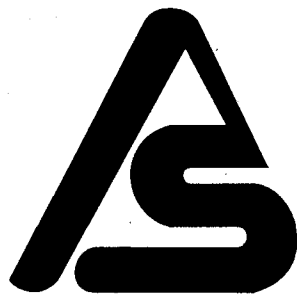


EIGHTEENTH ANNUAL REPORT 2011-2012



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. Dadhania

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 Eighteenth Annual General Meeting of the Members of Ace Software Exports Limited will be held on Saturday, 29th September, 2012 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:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss Account for the year ended on that date together with the Auditors and Directors' Report thereon.
2. To appoint Director, in place of Shri Sanjay H. Dhamsania, who is liable to retire by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Director, in place of Shri Vimal L Kalaria, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. 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.

Date : 30.05.2012

For & On behalf of Board of Directors

Rajkot : Rajkot

Ace Software Exports Limited

**(Vikram B. Sanghani)
Joint Managing Director**

Registered Office Add :

801, Everest Commercial Complex,

Opp. Shastri Maidan,

Rajkot – 360 001,

Gujarat, India

Note/s:

1. A member entitle to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In Terms of Section 256 read with provisions of Articles of Association of the Company, Shri Sanjay H. Dhamsania and Shri Vimal L Kalaria, Directors of the company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
4. Members are requested to bring their Attendance Slip alongwith 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 Ltd. at their office situated at 211-Sudarshan Complex, Nr. Mithakhali Underbridge, Navarangpura, Ahmedabad – 380-009.
5. 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.
6. 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.
7. The Company has already notified closure of Register of Members and Transfer Books from Friday, 21st September, 2012 to Friday, 28th September, 2012 (both days inclusive)
8. Members are advised to refer to the information provided in the Annual Report.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend amount which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.

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
31.03.2005	24.09.2005	23.09.2012

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.



DIRECTORS' REPORT

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

The Directors of the company have pleasure in presenting their **EIGHTEENTH ANNUAL REPORT** together with the Audited Financial Statements of your Company for the Financial Year ended on **31st March, 2012**.

FINANCIAL RESULTS :

SR. NO.	PARTICULARS	(Amt in Rs.)	
		2011-12	2010-11
1.	Revenue from Operation	2,54,57,739.00	1,78,12,443.00
2.	Other Income	80,59,525.00	1,43,05,018.00
3.	Total Revenue(1+2)	3,35,17,264.00	3,21,17,461.00
4.	Depreciation	15,24,984.00	10,63,154.00
5.	Other Expenses	2,82,87,517.00	2,80,44,338.00
6.	Profit / (Loss) Before Tax (PBT)	37,04,763.00	30,09,969.00
7.	Taxation	47,638.00	60,946.00
8.	Profit/(Loss) After Tax (PAT)	36,57,125.00	29,49,023.00
9.	Balance Carried forward to the Balance Sheet	8,13,36,362.00	7,76,79,237.00

PERFORMANCE :

During the financial year 2011-12, your Company has achieved total turnover of Rs. 2,54,57,739/- as compared to the turnover of Rs. 1,78,12,443/- of the previous year. The Net Profit of the Company stood at Rs. 36,57,125/- as compared to Rs. 29,49,023/- 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

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- That in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- That they 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 at the end of the accounting year and of the profit and loss account for that year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- That they have prepared the annual accounts on a going concern basis.

TRADE RELATIONS :

The Board desires to place on record its appreciation for the support and co-operation received from suppliers / vendors and authorized dealers and all other associated with our Company. Company regards them as partners in its progress and shares with them the fruits of growth. The Management constantly endeavors to build strong and mutually respectable trade relations with them.

DIRECTORS :

Shri Vimal L Kalaria, and Shri Sanjay H. Dhamsania, Directors are liable to retire by rotation and being eligible offer themselves for reappointment.

Mr. Sanjay Dhamsania has done M.S. (Computer Science) from Harvard University, Washington D.C., USA. He worked in the US as a programmer Analyst for some time. He is the co-founder of the company and has been with the company right from the incorporation of the company. He is having more than 19 years of experience in the information Technology (IT) Industry in various capacities and has been involved in top level management since the beginning.

Mr. Vimal Kalaria has more than 15 years of experience in finance & accounts department.

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 :

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. The Company will make available the Annual Accounts of the Subsidiary companies and the related detailed information to any matter 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.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

Disclosures with regards to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed herewith and forms part of this Report.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank all investors, banks, regulatory and governmental authorities and Apex Co vantage, LLC USA for their continued co-operation during the year. Your Directors sincerely acknowledges the significant contribution made by all the employees for their dedicated services to the Company.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures pursuant to the Companies (Disclosure of particulars in the Report of 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

As the Company is engaged in the IT sector, the Company is implementing constant upgradation of technology related to software & hardware.

3. Foreign Exchange earnings and outgo

Particulars	2011-12	2010-11
Foreign Exchange Earnings	USD 5,55,192.23	USD 393905.70
	(INR 2,68,62,722.00)	(INR 1,78,12,443.00)
Foreign Exchange outgo	USD NIL	USD 6,569.41
	INR NIL	(INR 3,08,621.00)

4. Management Discussion and Analysis Report:**a. Industry Structure & Development:**

Global IT services spending have increased from USD 586 billion in 2010 to USD 605 billion in 2011. BPO services spending have increased from USD 147 billion in 2010 to USD 153 billion in 2011. During 2011, global IT offshoring accounted for 61% of the total global sourcing market while BPO offshoring accounted for 39%. Trends in global sourcing continued to remain positive, showing higher growth than the global spending. In 2011 global sourcing grew by 12% over 2010 (2010 growth over 2009 was 10.4%).

b. Opportunity, Threats and Outlook Risk & Concerns:

Looking forward, the global IT services spending is expected to grow at a CAGR1 of 4.5% over 2011-2013 while the global BPO services spending is expected to grow at CAGR of 5.3% during the same period. The IT outsourcing market is expected to show a 3-year CAGR of 8% over 2011-2013, while BPO offshoring is expected to grow at CAGR of 7% over the same period.

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.

For & on behalf of Board of Directors,

Vikram B. Sanghani Pratik C. Dadhaniya
Jt. Managing Director Director
Rajkot, Dated 30th May, 2012



CORPORATE GOVERNANCE**1. The Company's philosophy on Corporate Governance:**

The company attempts to achieve highest levels of transparency, accountability and equity in all facets of its' operations and interactions with its stakeholders, employees and the government. On adoption of good corporate governance policies the organization moves to achieve its long-term goals efficiently.

2. Board of Directors:**Composition of the Board of Directors**

The Board of Directors of the company as on 31st March, 2012 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 asat March 31, 2012

Name of the Directors Founder and Executive\Director	Designation	Age	Qualification	Other Directorship
Mr. Vikram Sanghani	Jt. Managing Director	49	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	50	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	40	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	39	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	60	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	10,41,843*	10	1	-	8	Yes
Sanjay Dhamsania	Executive & Non Independent	4,98,300*	10	1	-	8	Yes
Pratik Kumar Dadhaniya	Non-Executive & Independent	Nil	5	3	2	8	Yes ¹
Vimal Kalaria	Non-Executive & Independent	Nil	8	2	2	8	Yes
Dharamshi Vadalia	Non-Executive & Independent	Nil	6	3	1	8	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 & others as well as shares held 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 & others as well as shares held as partner of Ace Technologies

Board Meetings

The Board of Directors met 8 times during the year 2011-12.



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

Sitting fees paid to Non-Executive & Independent Director:

Name of Director	Sitting Fees 2011-12
Vimal L Kalaria	Rs. 12,000.00
Dharamshibhai R Vadalia	Rs. 12,000.00
Pratik C. Dadhaniya	Rs. 12,000.00
TOTAL	Rs. 36,000.00

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 2011-2012, neither there was any pending investors' complaint as on 31st March, 2012.

6. General Body Meetings:

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

Date of AGM	Time	Venue	Details of Special Resolutions passed
30.09.2009	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot - 360 001	Approval of reappointment & payment of remuneration under Section 269, 198, 309 of the Companies Act, 1956 to Shri Vikram Sanghani, and Shri Sanjay Dhamsania, Jt. Managing Directors
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

7. Disclosures:

i. Significant related party transactions:

There were no materially significant related party transactions, during the year-ended 31.03.2012 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-19 (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.

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 Bombay Stock Exchange Ltd.

9. General Shareholder's Information:

i. Annual General Meeting:

Date	: 29 th September, 2012
Time	: 11.00 A.M.
Venue	: 801-"Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot - 360001

ii. Financial Year:

Tentative Schedule for the Financial Year 2012-13:

For the quarter ended on June 30, 2012	: First or second week of August 2012
For the quarter ended on September 30, 2012	: First or second week of November, 2012
For the quarter ended on December 31, 2012	: First or second week of February 2013
For the full year ended on March 31, 2013	: Third or fourth week of May 2013

iii. Date of Book Closure:

21st September, 2012 to 28th September, 2012 (Both days inclusive)

iv. Dividend Payment Date:

As the Board of Directors' have not recommended any dividend on equity shares for FY 2011-12, hence no dividend is payable to the shareholders.



v. Listing on the Stock Exchange:

The equity shares of the Company are listed on The Bombay Stock Exchange 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 2011-2012

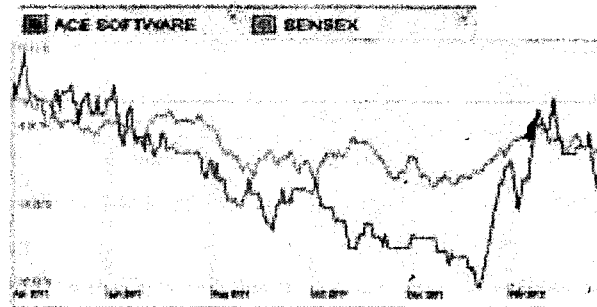
vi. Scrip/Stock Code/ISIN:

531525 - (The Bombay Stock Exchange Ltd., Mumbai)
ISIN : INE849B01010

vii. Market price:

Month	High	Low
April-11	14.49	12.00
May-11	13.93	11.67
June-11	13.49	10.67
July-11	12.05	10.50
August-11	11.02	9.20
September 11	10.17	8.60
October-11	10.49	8.22
November-11	9.06	7.86
December-11	8.65	7.32
January-12	10.80	7.00
February-12	13.20	9.50
March-12	13.70	10.05

viii. Performance in comparison to BSE Sensex:



ix. Registrar and Share Transfer Agent (RTA):

Link Intime India Pvt. Ltd

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, 2012):

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS	TOTAL SHARES	% OF SHARES/DEBENTURES
01 to 500	3024	83.9068	561181	11.9910
501 to 1000	321	8.9068	266287	5.6899
1001 to 2000	139	3.8568	211879	4.5273
2001 to 3000	36	0.9989	92838	1.9837
3001 to 4000	17	0.4717	61044	1.3044
4001 to 5000	14	0.3885	69010	1.4746
5001 to 10000	17	0.4717	124553	2.6614
10001 & above	36	0.9989	3293208	70.3677
TOTAL	3604	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, 2012, 90.48 % of the Equity Shares (total paid up shares as on 31st March, 2012) 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, 2012.

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:- 30/05/2012

Vikram Sanghani
Jt. Managing Director

Pratik 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 2011-2012 ended on 31st March, 2012, 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:- 30/05/2012

Vikram Sanghani
Jt. Managing Director

Pratik Dadhaniya
Director



To

The Members,

ACE SOFTWARE EXPORTS LIMITED

We have audited the attached Balance Sheet of *ACE SOFTWARE EXPORTS LIMITED*, as at 31st March 2012, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) 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.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with all the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2012, and taken on records by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2012;
 - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date, and
 - (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

Atul M. Kalaria
Partner

Rajkot, Dated 30th May 2012

Membership No. 41432

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

To,

The Members,

ACE SOFTWARE EXPORTS LIMITED

Referred to in paragraph 3 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) In our opinion and according to the information and explanations given to us, the company has not granted nor taken unsecured loans to/from any person covered in the register maintained under section 301 of the Companies Act, 1956.
- (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 our opinion, and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956.
- (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, 2012 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 availed any loan from financial institutions and banks. Accordingly, Clause 4(xi) of the Order is not applicable.
- (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

Rajkot, Dated 30th May 2012

Membership No.41432



Ace Software Exports Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2012

			(in Rs.)	
	PARTICULARS	Note No.	31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES:				
(1) Shareholder's Funds :				
(a) Share Capital		1	46,800,000	46,800,000
(b) Reserves & Surplus		2	95,259,421	91,602,296
(2) Non-current Liabilities				
(a) Other Long Term Liabilities		3	477,855	608,382
(3) Current Liabilities				
(a) Trade Payable		4	1,567,628	273,853
(b) Other Current Liabilities		5	2,894,749	1,216,890
(c) Short-Term Provisions		6	778,416	4,081,963
	Total		147,778,070	144,583,384
II. ASSETS:				
(1) Non-current Assets				
(a) Fixed Assets		7		
(i) Tangible Assets			16,510,752	16,502,886
(ii) Intangible Assets			1,735,287	-
(b) Non-current Investments		8	48,186,764	43,868,763
(c) Long-term Loans and Advances		9	7,319,474	8,238,233
(d) Other Non-Current Assets		10	316,242	411,713
(2) Current Assets				
(a) Current Investments		11	27,779,505	24,551,346
(b) Inventories [As taken, valued and certified by the Management]			2,412,437	3,128,018
(c) Cash & Cash Equivalents		12	5,052,833	4,135,657
(d) Short-term Loans and Advances		13	28,234,232	26,129,426
(e) Other Current Assets		14	10,230,543	17,617,342
	Total		147,778,070	144,583,384

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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI PRATIK C. DADHANIYA
JT.MANAGING DIRECTOR DIRECTOR

VIMAL L. KALARIA
DIRECTOR

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

			(in Rs.)	
	PARTICULARS	Note No.	31.03.2012	31.03.2011
I. Revenue from operations		15	25,457,739	17,812,443
II. Other Income		16	8,059,525	14,305,018
III. Total Revenue (I + II)			33,517,264	32,117,461
IV. Expenses				
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			715,581	(718,913)
(b) Employee benefit expense		17	6,871,316	6,198,301
(c) Depreciation and amortization expense			1,524,984	1,063,154
(d) Other expenses		18	20,700,619	22,564,950
Total Expenses			29,812,500	29,107,492
V. Profit/(Loss) before tax (III-IV)			3,704,763	3,009,969
VI. Tax expense:				
(1) Current tax			91,000	17,946
Less : MAT credit entitlement			89,000	-
Net current tax			2,000	17,946
(2) Wealth Tax			45,638	43,000
VII. Profit/(Loss) for the period (V-VI)			3,657,125	2,949,023
VIII. Earning per equity share (Face value per share is '10/-):				
(1) Basic			0.781	0.630
(2) Diluted			0.781	0.630
Accompanying notes to the financial statements		19		

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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI PRATIK C. DADHANIYA
JT.MANAGING DIRECTOR DIRECTOR

VIMAL L. KALARIA
DIRECTOR



CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

	31.03.2012	31.03.2011
A. Cashflow from Operating Activities		
Net profit before tax as per Profit and Loss Account	3,659,125	2,966,969
Adjustments to reconcile Profit Before Tax to Cash Provided by Operating Activities :		
Depreciation & amortization expenses	1,524,984	1,063,154
Dividend Income	(3,384,885)	(2,886,691)
Surplus/loss on sale of Investments	204,705	(8,197,368)
Interest Income	(3,318,717)	(3,368,543)
Interest Expenses	23,578	147,934
Operating Profit before changes in assets & liabilities	(1,291,209)	(10,274,545)
Increase/(decrease) in current & non current liabilities	(535,494)	2,752,802
(Increase)/decrease in current & non current assets	7,011,804	(9,579,725)
Net cash from operating activities	5,185,101	(17,101,468)
B. Cashflow from investing activities		
Purchase of Fixed Assets	(3,268,137)	(3,077,939)
Sale of Fixed Assets	-	111,111
Sale/Purchase of Investments (Net)	(7,679,812)	14,455,308
Interest Income	3,318,717	3,368,543
Dividend Income	3,384,885	2,886,691
Net cash provided by / (used in) investing activities	(4,244,347)	17,743,714
C. Cashflow from financing activities		
Interest paid	(23,578)	(147,934)
Net cash provided by / (used in) financing activities	(23,578)	(147,934)
Net increase in cash and cash equivalent	917,176	494,311
Cash and cash equivalent as at 31.3.2011 (Opening Balance)	786,652	292,341
Cash and cash equivalent as at 31.3.2012 (Closing Balance)	1,703,828	786,652

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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR

PRATIK C. DADHANIYA
DIRECTOR

VIMAL L. KALARIA
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



RAJKOT, Dated 30th May, 2012

I 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.

01) 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 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.

02) 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.

03) 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.

04) 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.

05) 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.

06) 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.

07) 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.

08) 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.

09) 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.

10) 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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR

PRATIK C. DADHANIYA
DIRECTOR

VIMAL L. KALARIA
DIRECTOR



1. Share Capital**1.1 Details relating to Authorized, Issued, Subscribed & Paid up Share Capital**

Particulars	31.03.2012	31.03.2011
I Authorized 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
TOTAL	46,800,000	46,800,000

1.2 Reconciliation of the Share Capital

Particulars	31.03.2012	Rs.
	No. of shares	
(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	Rs.
	No. of shares	
(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 referred to as equity shares having a par value of Rs.10/-

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

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. Sanghani	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	

Name of the shareholders	31.03.2011	
	No. of shares	% to total
1 Vikram B. Sanghani, Sanjay Harilal Dhamsania & Rahul J. Kalaria	390,000	8.33%
2 Vikram B. Sanghani	410,075	8.76%
3 Sanjay Harilal Dhamsania	498,800	10.66%
4 Jay B. Sanghani	269,400	5.76%
5 Harilal T. Dhamsania	289,700	6.19%
	1,857,975	39.70%
Total no. of shares of the company	4,680,000	

2. Reserves & Surplus

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Capital Reserve		
Opening balance	675,261	675,261
(+) Addition during the year	-	-
(-) Transferred/utilized during the year	-	-
Closing Balance	675,261	675,261
2 Capital Redemption Reserve		
Opening balance	10,200,000	10,200,000
(+) Addition during the year	-	-
(-) Transferred/utilized during the year	-	-
Closing Balance	10,200,000	10,200,000
3 General Reserve		
Opening balance	3,047,798	3,047,798
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,047,798	3,047,798
4 Surplus		
Opening Balance	77,679,237	74,730,214
Add: Net Profit/(Loss) for the Current Year	3,657,125	2,949,023
Closing Balance	81,336,362	77,679,237
TOTAL	95,259,421	91,602,296

3. Other Long-term Liabilities

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
Others :		
Other Long Term Liabilities	477,855	608,382
TOTAL	477,855	608,382

4. Trade Payables

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1. Sundry creditors for expenses	1,567,628	273,853
	<u>1,567,628</u>	<u>273,853</u>

5. Other Current Liabilities

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Advance from Customers	2,484,587	4,083,564
2 Others		
Income Tax TDS Payable (F.Y. 2010-11)	67,854	80,754
Profession Tax	2,180	2,130
E.S.I.C.	32,146	30,466
Provident Fund	19,982	19,976
3 Security Deposits	288,000	-
TOTAL	<u>2,894,749</u>	<u>1,216,890</u>

6. Short-term Provisions

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Provision for employee benefits	632,031	971,326
2 Other Provisions	146,385	3,110,637
TOTAL	<u>778,416</u>	<u>4,081,963</u>

7. FIXED ASSETS

(in Rs.)

Particulars	Gross Block			Accumulated Depreciation			IMPAIRMENT		NET BLOCK			
	Balance as at	Additions	Disposals	Balance as at	Balance as at	On	AS ON	AS ON	Balance as at	Balance as at		
	01.04.2011			31.03.2012	01.04.2011	charge for	31.03.2011	31.03.2012	31.03.2011	31.03.2012		
						Disposals						
						the year						
(A) Tangible Assets :												
Office & Residential Premises	11,396,971	-	-	11,396,971	2,356,530	186,278	-	2,542,808	-	-	9,040,441	8,854,163
Computers & Peripherals	31,028,068	611,242	-	31,639,310	26,316,766	660,214	-	26,976,980	1,700,000	1,700,000	3,011,302	2,962,330
Furniture & Fixtures	7,733,247	130,600	-	7,863,847	3,537,787	126,867	-	3,664,654	2,650,000	2,650,000	1,545,459	1,549,192
Office Equipments	6,993,154	84,702	-	7,077,856	2,739,575	79,844	-	2,819,419	2,750,000	2,750,000	1,503,578	1,508,436
Motor Car	3,311,543	600,850	-	3,912,393	1,909,438	366,325	-	2,275,763	-	-	1,402,105	1,636,630
Total (A)	<u>60,462,982</u>	<u>1,427,394</u>	<u>-</u>	<u>61,890,376</u>	<u>36,860,096</u>	<u>1,419,528</u>	<u>-</u>	<u>38,279,624</u>	<u>7,100,000</u>	<u>7,100,000</u>	<u>16,502,886</u>	<u>16,510,752</u>
(B) Intangible Assets												
Computer Software	-	1,840,743	-	1,840,743	-	105,456	-	105,456	-	-	-	1,735,287
Total (B)	<u>-</u>	<u>1,840,743</u>	<u>-</u>	<u>1,840,743</u>	<u>-</u>	<u>105,456</u>	<u>-</u>	<u>105,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,735,287</u>
GRAND TOTAL [A+B]	<u>60,462,982</u>	<u>3,268,137</u>	<u>-</u>	<u>63,731,119</u>	<u>36,860,096</u>	<u>1,524,984</u>	<u>-</u>	<u>38,385,080</u>	<u>7,100,000</u>	<u>7,100,000</u>	<u>16,502,886</u>	<u>18,246,039</u>
PREVIOUS YEAR'S FIGURES	<u>57,809,916</u>	<u>3,077,939</u>	<u>4,24,873</u>	<u>60,462,982</u>	<u>36,068,296</u>	<u>1,063,154</u>	<u>2,71,353</u>	<u>36,860,097</u>	<u>7,100,000</u>	<u>7,100,000</u>	<u>16,502,886</u>	<u>14,641,621</u>

8. Non-current Investments

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Other Investments (Valued at cost unless otherwise stated)		
Investment property		
Plot of land at Munjka Dist : Rajkot	5,773,664	5,733,054
Plot of land at Sitvan Dist : Rajkot	153,509	153,509
Investment in Equity Instruments (Unquoted)		
Ace Computer Education Private Limited of Rs. 10 each	1,262,000	1,262,000
Rajkot Oilcake Private Limited of Rs. 10 each	100	100
Investment in Equity shares of Subsidiaries: (Unquoted)		
Rajkot Computer Education Private Limited of Rs. 100 each	496,960	496,960
Ace Infoworld Private Limited of Rs. 10 each	20,581,369	20,581,369
Aspire Exim Pvt.Ltd of Rs. 10 each	100,000	100,000
Citizen Solution Pvt.Ltd of Rs. 10 each	100,000	100,000
Cosmos Services Pvt.Ltd of Rs. 10 each	100,000	100,000
Jubilant Exim Pvt.Ltd of Rs. 10 each	100,000	100,000
Speedwell Engineers Pvt.Ltd of Rs. 10 each	100,000	100,000
Investment in Mutual Funds (Quoted)		
Franklin India - Prima (Dividend Reinvestment Plan)	5,030,405	4,067,460
Franklin India - Bluechip Fund (Dividend Reinvestment Plan)	7,328,493	6,181,515
Franklin India - Flexi Cap (Dividend Reinvestment Plan)	4,060,264	3,092,796
DSP Black Rock Equity	1,500,000	900,000
HDFC Equity Fund	1,500,000	900,000
(Total Market value of mutual funds as on 31.03.2012 is Rs. 1,80,16,207)		
TOTAL	<u>48,186,764</u>	<u>43,868,763</u>



9. Long-term Loans & Advances			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Security Deposits (Unsecured, considered good unless otherwise stated)	7,299,474	7,298,474	
2 Other Loans & Advances (Unsecured, Considered good unless otherwise stated)	-	939,759	
3 Capital Advances	20,000	-	
TOTAL	7,319,474	8,238,233	
10. Other Non-Current Assets			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Cash & Cash Equivalents	316,242	411,713	
TOTAL	316,242	411,713	
11. Current Investment			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Investment in Equity Instruments (Quoted, fully paid up) (valued at cost or NRV whichever is lower)			
Delta Corp Ltd.	291,805	291,805	
Indian Oil Corporation Ltd.	96,112	113,968	
Indian Metals & Ferro Alloys Ltd.	31,540	58,609	
J.B.Chemicals and Pharmaceuticals Ltd.	122,200	253,349	
B L Kashyap Ltd	102,900	-	
(Market value of shares as on 31.03.2012 is Rs. 6,97,502)			
2 Investment in Mutual Funds (Quoted, fully paid up) (Valued at cost or NRV whichever is lower)			
HDFC Cash Management Fund (Treasury Advantage Plan)	16,623,648	11,879,276	
HDFC Cash Management Fund (Savings Plan-Weekly Div.)	-	9,954,339	
HDFC FMP 463D January 2012 (1) Growth Plan	10,511,300	-	
(Market value of mutual funds as on 31.03.2012 is Rs. 2,72,76,902)			
3 Investment in Debentures or Bonds (Unquoted, fully paid up)			
Housing & Urban Development Corporation	-	2,000,000	
TOTAL	27,779,505	24,551,346	
12. Cash & Cash Equivalents			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Cash & Cash Equivalents			
Cash on Hand	75,070	89,867	
Balances with Scheduled Bank	1,628,758	696,785	
Balances in Fixed Deposit Accounts	3,349,005	3,349,005	
TOTAL	5,052,833	4,135,657	
13. Short-term Loans & Advances			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Loans & Advances to other * (Unsecured considered good)	28,234,232	26,129,426	
TOTAL	28,234,232	26,129,426	
* Includes primarily interest receivable on Fixed Deposits, short term loans granted to outside parties and service tax rebate receivable from Service Tax Authorities			
14. Other Current Assets			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Other Current Assets	10,230,543	17,617,342	
TOTAL	10,230,543	17,617,342	
15. Revenue from Operations			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
1 Revenue from sale of products			
Export of Database Creation	25,457,739	17,812,443	
TOTAL	25,457,739	17,812,443	
16. Other Income			
Particulars	31.03.2012	31.03.2011	
	Rs.	Rs.	
Interest-Others	2,989,847	3,150,103	
Interest-Bank	328,870	218,440	
Less : Interest Paid	23,578	147,934	
Net Interest Income	3,295,139	3,220,609	
Dividend Income	3,384,885	2,886,691	
Profit on Sale of Investments	-	8,197,368	
Rental Income	1,269,000	-	
Excess provision of Income Tax	3,172	-	
Foreign Exchange Fluctuation	92,447	-	
Miscellaneous Income	14,882	350	
TOTAL	8,059,525	14,305,018	

17. Employee benefit expenses

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Salaries & wages	6,458,148	5,905,340
2 Contribution to provident and other funds	339,958	219,785
3 Staff welfare expense	73,210	73,176
TOTAL	6,871,316	6,198,301

18. Other Expenses

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
Operating Expenses		
Software Sourcing Charges	16,662,269	17,434,753
Administrative Expenses		
(a) Rent,Rates,Taxes and Insurance :		
R.M.C.Taxes	198,009	200,411
Office / Furniture Rent	165,300	71,976
Insurance	44,690	38,760
(b) Repairs,Replacement & Maintenance		
Computers Repairs/Maintenance	74,957	173,330
Repair & Replacement	186,856	491,700
(c) Travelling,Conveyance & Vehicle		
Vehicle Expenses	85,445	68,302
Travelling Expenses-For Directors	14,133	27,836
Travelling Expenses-For Others	179,559	680,529
Conveyance Expenses	201,561	178,937
(d) Printing,Stationery,Postage & Xerox		
Printing & Stationery Expenses	114,466	176,342
Xerox Expenses	7,955	20,920
Postage & Telegram	208,334	258,750
Computer Stationery/Consumables	10,924	4,307
Telephone & Fax	76,552	83,176
Advertisement Expenses	46,995	35,861
Telex Charges	9,972	3,489
(e) Legal & Professional Charges :		
Professional fees	921,338	1,310,147
(f) General Expenses :		
Bank Charges	22,098	11,117
Office Expenses	119,357	123,385
Membership & Subscription Expenses	6,865	7,770
Miscellaneous & Entertainment Exp.	89,010	17,989
Charity & Donations	3,501	17,750
Security & Seal Expenses	50,800	17,266
STP-Rent & Other Service Charges	7,625	5,225
Loss on Sale of Investment	204,705	-
Professional Tax	2,000	2,000
Custody/Filing Fees	7,618	7,618
Brokerage Expense	88,500	-
Annual General Meeting Expenses	970	1,048
Annual Share Listing Fees	16,545	11,030
(g) Books & Periodicals,News Papers	6,015	5,949
(h) Electricity Expenses	636,239	743,799
(i) Auditors Remuneration	33,090	33,090
(j) Internet Expenses	196,366	248,463
(k) Kasar / Vatav	-	51,925
TOTAL	20,700,619	22,564,950

Ace Software Exports Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST March 2012

19 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

Particulars	Subsidiary	Associate	(Amount in Rs.)	
			Key Management Personnel	
Rent		42,000		
Loans taken				38,00,000
Repayment of Loan taken				38,00,000
Interest Paid/Payable				1,59,696
Directors' Remuneration				26,10,000
Reimbursement of Medical Expenses				30,000
Managerial Commission				2,02,560

20 Segment Reporting:

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

21 Deferred Tax Liabilities/(Assets):

Particulars	Current Year Charge/(Credit)
Difference between book and tax depreciation, etc. (Related to Fixed Assets)	13,84,007
Unabsorbed Depreciation	(8,54,771)
Net Timing Difference	5,29,236
Deferred Tax Liabilities	1,63,534

The Deferred Tax Liabilities of the Current Year amounting to Rs. 1,63,534/- is not recognized as there is unrecognized Deferred Tax Asset of the Previous Years amounting to Rs.45,56,975/-.

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

Particulars	Unit	2011-12	2010-11
a) Amount used as the numerator Profit after taxation	Rs. in Lac	36.57	29.49
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.	0.78	0.63

23 Payment to Auditors:

Particulars	2011-12	2010-11
Statutory & Tax Audit, Income Tax & Other matters	50,000	40,000
Service Tax	5,150	4,120
Total	55,150	44,120

24 Earnings and Expenditure in Foreign Exchange:

Particulars	Units	2011-12	2010-11
Export Value of Database Creation	US \$	5,06,441.39	3,93,905.70
Advance from Customer	US \$	48,750.84	24,394.74
Expenditure in Foreign Currency			
- Capital Expenditure	US \$	Nil	Nil
- Revenue Expenditure	US \$	Nil	6,569.41

26 Contingent Liabilities

NIL

27 The outstanding balances as at 31.03.2012 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.

28 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.

29 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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR

PRATIK C.DADHANIYA
DIRECTOR

VIMAL L. KALARIA
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, 2012, 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 30th May, 2012

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

(Rs. in '000)

1. Name of Subsidiary	Rajkot Computer Education Pvt. Ltd.	Ace InfoWorld Pvt. Ltd.	Aspire Exim Pvt. Ltd.	Jubilant Exim Pvt. Ltd.	Speedwell Engineers Pvt. Ltd.	Cosmos Services Pvt. Ltd.	Citizen Solutions Pvt. Ltd.
2. Financial year of the subsidiary ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
3. Shares of the subsidiary held by the Company							
a) Number and face value of shares	1,000 Equity shares of Rs. 100/- each fully paid up	6,31,525 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	10,000 Equity Shares of Rs.10 each fully paid-up
b) Extent of holding	100%	98.62%	100%	100%	100%	100%	100%
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	0.983	901	55	46	101	38	52
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	299	27122	931	723	1588	665	813

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR

PRATIK C.DADHANIYA
DIRECTOR

VIMAL L.KALARIA
DIRECTOR

N. I. THOMAS
COMPANY SECRETARY



RAJKOT, Dated 30th May, 2012

Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF ACE SOFTWARE EXPORTS LIMITED

1. We have audited the attached Consolidated Balance Sheet of *Ace Software Exports Limited* ('the Company') and its subsidiaries collectively referred to as 'Group' as at 31st March, 2012, and the Consolidated Profit and Loss Account & Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year then ended.

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

Atul M. Kalaria
Partner
Membership No. 41432
Rajkot, Dated 30th May,2012



Ace Software Exports Ltd. - Consolidated
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS		Note No.	31.03.2012	(in Rs.) 31.03.2011
I. SOURCES OF FUNDS :				
(1) Shareholder's Funds :				
(a) Share Capital	1		46,800,000	46,800,000
(b) Reserves & Surplus	2		118,294,614	113,203,669
(2) Minority Interest			534,387	521,683
(3) Non-current Liabilities				
(a) Long-term Borrowings	3		122,568	1,763,897
(b) Deferred Tax Liabilities (Net)			39,489	39,489
(c) Other Long Term Liabilities	4		477,855	608,382
(4) Current Liabilities				
(a) Trade Payable	5		1,567,628	273,853
(b) Other Current Liabilities	6		4,537,200	2,520,608
(c) Short-Term Provisions	7		968,575	4,386,663
TOTAL			173,342,316	170,118,244
II. ASSETS :				
(1) Non-current Assets				
(a) Fixed Assets				
(i) Tangible Assets			21,105,588	22,311,516
(ii) Intangible Assets	8		1,761,344	43,429
(b) Non-current Investments	9		39,721,254	39,812,776
(c) Deferred Tax Assets (Net)			114,916	70,823
(d) Long-term Loans and Advances	10		7,552,777	8,258,720
(e) Other Non-Current Assets	11		367,575	586,073
(2) Current Assets				
(a) Current Investments	12		28,075,866	24,851,769
(b) Inventories [As taken, valued and certified by the Management]			2,412,437	3,128,018
(c) Cash & Cash Equivalents	13		8,906,255	5,881,092
(d) Short-term Loans and Advances	14		53,093,762	47,556,686
(e) Other Current Assets	15		10,230,543	17,617,342
TOTAL			173,342,316	170,118,244

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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
 JT.MANAGING DIRECTOR

PRATIK C. DADHANIYA
 DIRECTOR

VIMAL L. KALARIA
 DIRECTOR

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS		Note No.	31.03.2012	(in Rs.) 31.03.2011
I. Revenue from operations		16	25,494,321	17,812,443
II. Other Income		17	10,614,502	16,466,253
III. Total Revenue (I+II)			<u>36,108,823</u>	<u>34,278,696</u>
IV. Expenses				
(a) Charges in inventories of finished goods, work-in-progress and Stock-in-Trade			715,581	(718,913)
(b) Employee benefit expense	18		6,871,316	6,198,301
(c) Depreciation and amortization expense			2,587,332	2,102,793
(d) Other expenses	19		20,937,220	22,735,932
Total Expenses			<u>31,111,449</u>	<u>30,318,113</u>
V. Profit/(Loss) before tax (III-IV)			<u>4,997,374</u>	<u>3,960,583</u>
VI. Tax expense:				
(1) Current tax			213,350	268,213
Less : MAT credit entitlement			89,000	-
Net current tax			124,350	268,213
(2) Deferred tax			(44,091)	41,288
(3) Wealth tax			45,638	43,000
VII Profit/(Loss) for the period (V - VI)			<u>4,871,477</u>	<u>3,608,082</u>
Less : Minority Interest			12,704	6,906
Profit after Minority Interest			<u>4,858,774</u>	<u>3,601,176</u>
VIII Earning per equity share (Face value per share is Rs. 10/-)				
(1) Basic			1.04	0.77
(2) Diluted			1.04	0.77
Accompanying notes to the financial statements		20		

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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
 JT.MANAGING DIRECTOR

PRATIK C. DADHANIYA
 DIRECTOR

VIMAL L. KALARIA
 DIRECTOR



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.12

Particulars	(Rs. In lakhs)	
	31.3.2012	31.3.2011
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	50	40
Adjustments for :		
Depreciation & other non cash charges	26	21
Dividend Income	(45)	(37)
Loss on sale of Investments/Assets	2	(82)
Interest Income	(49)	(48)
Interest Expenses	2	3
Operating Profit before working capital changes	(14)	(104)
Adjustments for :		
Increase/(decrease) in current & non current liabilities	(2)	27
(Increase)/decrease in current & non current assets	35	(83)
Cash generated from Operations	19	(160)
Direct taxes paid (net of refunds)	-	(12)
Cashflow before extra-ordinary items	19	(172)
Net cashflow from operating activities	19	(172)
B. Cashflow from investing activities		
Purchase of Fixed Assets	(33)	(93)
Sale of Fixed Assets	2	1
Sale/Purchase of Investments (Net)	(34)	172
Interest Received	49	48
Dividend Income	45	37
Net cash generated/used in investing activities	29	165
C. Cashflow from financing activities		
Loan Received	-	31
Loan Repaid	(16)	-
Interest paid	(2)	(3)
Net cash generated/used in financing activities	(18)	28
Net increase in cash and cash equivalent	30	21
Cash and cash equivalent as at 31.3.2011 (Opening Balance)	59	38
Cash and cash equivalent as at 31.3.2012 (Closing Balance)	89	59

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,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR

PRATIK C. DADHANIYA
DIRECTOR

VIMAL L. KALARIA
DIRECTOR

RAJKOT, Dated 30th May, 2012

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 30th May, 2012

1. Share Capital

Details relating to Authorized, Issued, Subscribed & Paid up Share Capital
Particulars

	31.03.2012 Rs.	31.03.2011 Rs.
I Authorized Share Capital:		
60,00,000 Equity Shares of ₹ 10/- each with voting rights	60,000,000	60,000,000
II Issued, Subscribed & Paid-up Share Capital:		
46,80,000 Equity Shares of ₹ 10/- each with voting rights	46,800,000	46,800,000
TOTAL	46,800,000	46,800,000

2. Reserves & Surplus

Particulars

	31.03.2012 Rs.	31.03.2011 Rs.
1 Capital Reserve		
Opening balance	675,261	675,261
(+) Addition during the year	-	-
(-) Transferred/utilized during the year	-	-
Closing Balance	675,261	675,261
2 Capital Redemption Reserve		
Opening balance	10,200,000	10,200,000
(+) Addition during the year	-	-
(-) Transferred/utilized during the year	-	-
Closing Balance	10,200,000	10,200,000
3 General Reserve		
Opening balance	3,180,918	3,180,918
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,180,918	3,180,918
4 Surplus		
Opening Balance	78,175,780	74,578,175
Add: Net Profit/(Loss) for the Current Year	4,858,774	3,597,605
Add: Excess/(Short) provision of the previous year	232,171	-
Closing Balance	83,266,725	78,175,780
5 Capital Reserve on Consolidation	20,971,710	20,971,710
TOTAL	118,294,614	113,203,669

3. Long-term Borrowings

Particulars

	31.03.2012 Rs.	31.03.2011 Rs.
I SECURED		
1 Term Loans		
(A) From Banks		
Kotak Mahindra Prime Ltd	122,568	1,763,897
[Secured against hypothecation of Vehicle]		
TOTAL	122,568	1,763,897

4. Other Long-term Liabilities

Particulars

	31.03.2012 Rs.	31.03.2011 Rs.
1 Others:		
Other Long Term Liabilities	477,855	608,382
TOTAL	477,855	608,382

5. Trade Payables

Particulars

	31.03.2012 Rs.	31.03.2011 Rs.
1. Sundry creditors for expenses	1,567,628	273,853
TOTAL	1,567,628	273,853

6. Other Current Liabilities

Particulars

	31.03.2012 Rs.	31.03.2011 Rs.
1 Advance from Customers	2,484,587	1,083,564
2 Others		
Income Tax TDS Payable	68,976	84,608
E.S.I.C.	32,146	30,466
Profession Tax	2,180	2,130
Provident Fund	19,982	19,976
3 Current maturities of Long-term borrowings		
(A) From Banks		
Kotak Mahindra Prime Ltd	1,641,329	1,299,864
4 Security Deposits	288,000	-
TOTAL	4,537,200	2,520,608



7. Short-term Provisions

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Provision for employee benefits		
Salary	259,765	208,364
Director Sitting Fees	36,000	31,500
Managerial Commission	202,560	-
Target/Loyalty/Other Allowance	133,706	731,462
2 Others		
Telephone Expenses	7,617	6,029
Internet Expenses	2,130	3,869
Electricity Expenses	-	69,734
Software Sourcing Charges	-	2,969,591
Other Expenses	67,809	54,901
Wealth Tax	45,638	43,000
Current Tax	213,350	268,213
TOTAL	968,575	4,386,663

8. FIXED ASSETS

(in Rs.)

Particulars	Gross Block			Depreciation				IMPAIRMENT		NET BLOCK		
	Balance as at 01.04.2011	Additions	Deduc- tions	Balance as at 31.03.2012	Balance as at 01.04.2011	for the year	Depre. Adjust	Balance as at 31.03.2012	AS ON 31.03.2011	AS ON 31.03.2012	As On 31.03.2012	As On 31.03.2011
(A) Tangible Assets :												
Office & Residential Premises	11,396,971	-	-	11,396,971	2,356,530	186,278	-	2,542,808	-	-	8,854,163	9,040,441
Computers & Peripherals	31,028,068	611,242	-	31,639,310	26,379,162	660,214	-	27,039,376	1,700,000	1,700,000	2,899,934	2,948,906
Furniture & Fixtures	7,704,162	130,600	-	7,834,762	3,537,787	126,867	-	3,664,654	2,650,000	2,650,000	1,520,108	1,516,375
Office Equipments	9,619,257	84,702	-	9,703,959	4,938,067	128,054	-	5,066,121	2,750,000	2,750,000	1,887,838	1,931,190
Vehicles	10,015,250	600,850	488,669	10,127,431	3,140,646	1,363,091	319,851	4,183,886	-	-	5,943,545	6,874,604
Total (A)	69,763,708	1,427,394	488,669	70,702,433	40,352,192	2,464,504	319,851	42,496,845	7,100,000	7,100,000	21,105,588	22,311,516
(B) Intangible Assets												
Computer Software	1,596,650	1,840,743	-	3,437,393	1,553,221	122,828	-	1,676,049	-	-	1,761,344	43,429
Total (B)	1,596,650	1,840,743	-	3,437,393	1,553,221	122,828	-	1,676,049	-	-	1,761,344	43,429
GRAND TOTAL [A+B]	71,360,358	3,268,137	488,669	74,139,826	41,905,413	2,587,332	319,851	44,172,894	7,100,000	7,100,000	22,866,932	22,354,945
PREVIOUS YEAR'S FIGURES	62,492,254	9,292,977	424,873	71,360,358	40,073,973	2,102,793	271,353	41,905,413	7,100,000	7,100,000	22,354,945	15,318,281

9. Non-current Investments

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Other Investments (Valued at cost unless otherwise stated)		
Investment property	5,927,173	5,886,563
Investment in Equity Instruments (Unquoted)	1,262,200	1,262,100
Investment in Mutual Fund (Quoted)	32,531,881	32,664,113
TOTAL	39,721,254	39,812,776

10. Long-term Loans & Advances

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Security Deposits	7,319,961	7,318,961
<i>(Unsecured, considered good unless otherwise stated)</i>		
2 Loans & Advances to others	212,816	939,759
3 Capital Advances	20,000	-
TOTAL	7,552,777	8,258,720



11. Other Non-Current Assets

Particulars	31.03.2012	31.03.2011/
	Rs.	Rs.
1 Cash & Cash Equivalents	316,242	534,740
2 Incidental Expenditure pending capitalisation	21,045	21,045
3 Miscellaneous Expenditure (to the extent not written off/adjusted)	30,288	30,288
4 Other Non Current Assets	-	-
TOTAL	367,575	586,073

12. Current Investment

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Investment in Equity Instruments (Quoted)	644,557	717,831
2 Investment in Mutual Funds	27,431,309	22,133,938
3 Investment in Debentures or Bonds	-	2,000,000
TOTAL	28,075,866	24,851,769

13. Cash & Cash Equivalents

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Cash & Cash Equivalents		
Cash on Hand	487,698	470,211
Balances with Scheduled Bank :		
Balance in Current Accounts	5,069,552	2,061,876
Balance in Deposits Accounts	3,349,005	3,349,005
TOTAL	8,906,255	5,881,092

14. Short-term Loans & Advances

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Loans & Advances to others	53,093,762	47,556,686
TOTAL	53,093,762	47,556,686

15. Other Current Assets

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Other Current Assets	10,230,543	17,617,342
TOTAL	10,230,543	17,617,342

16. Revenue from Operations

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
1 Revenue from sale of products		
Export of Database Creation	25,494,321	17,812,443
TOTAL	25,494,321	17,812,443

17. Other Income

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
Interest-Others	4,607,990	4,628,698
Interest-Bank	328,870	218,440
Less : Interest Paid	201,390	323,458
Net Interest Income	4,735,470	4,523,680
Dividend Income	4,481,091	3,744,855
Profit on Sale of Investments	-	8,197,368
Hire Charge Income	922,000	-
Lease Rent Income	347,000	-
Excess provision of Income Tax	3,172	-
Miscellaneous Income	107,329	350
Income Tax Refund	18,440	-
TOTAL	10,614,502	16,466,253

18. Employee benefit expenses			
Particulars		31.03.2012	31.03.2011
		Rs.	Rs.
1	Salaries & wages		
	Salaries to Staff	1,914,206	1,872,664
	Bonus/Production Prizes	428,730	330,115
	Target and Loyalty Incentive	997,216	733,921
	Stipend Expenses	88,895	92,970
	Ex-Gratia Expenses	31,079	26,744
	Directors Remuneration	2,610,000	2,610,000
	Reimbursement of Medi.Exp.to Directors	30,000	30,000
	Managerial Commission	202,560	-
	Sitting Fees to directors	36,000	79,500
	Leave Encashment	119,462	129,426
2	Contribution to provident and other funds		
	Provident Fund	123,864	124,665
	ESI	16,094	13,877
	Gratuity	200,000	81,243
3	Staff welfare expense		
	Staff Welfare	73,210	73,176
	TOTAL	6,871,316	6,198,301

19. Other Expenses			
Particulars		31.03.2012	31.03.2011
		Rs.	Rs.
Operating Expenses			
	Software Sourcing Charges	16,662,269	17,434,753
Administrative Expenses			
(a)	Rent,Rates,Taxes and Insurance :		
	R.M.C.Taxes	198,009	200,411
	Office / Furniture Rent	165,300	71,976
	insurance	155,251	38,760
(b)	Repairs,Replacement & Maintenance		
	Computers Repairs/Maintenance	74,957	173,330
	Repair & Replacement	223,160	493,015
(c)	Travelling,Conveyance & Vehicle		
	Vehicle Expenses	85,445	68,302
	Travelling Expenses-For Directors	14,133	27,836
	Travelling Expenses-For Others	179,559	686,515
	Conveyance Expenses	201,561	178,937
(d)	Printing,Stationery,Postage & Xerox		
	Printing & Stationery Expenses	114,525	179,767
	Xerox Expenses	7,955	20,920
	Postage & Telegram	208,334	258,750
	Computer Stationery/Consumables	10,924	4,307
	Telephone & Fax	76,552	83,176
	Advertisement Expenses	46,995	35,861
	Telex Charges	9,972	3,489
(e)	Legal & Professional Charges :		
	Professional fees	953,062	1,368,299
(f)	General Expenses :		
	Bank Charges	23,091	11,947
	Office Expenses	119,657	174,153
	Membership & Subscription Expenses	6,865	7,770
	Miscellaneous & Entertainment Exp.	89,010	17,989
	Charity & Donations	3,501	17,750
	Security & Seal Expenses	50,800	17,266
	STP-Rent & Other Service Charges	7,625	5,225
	Loss on Sale of Assets/Investment	204,715	-
	Professional Tax	8,896	2,000
	Income Tax Expenses	910	-
	Custody/Filing Fees	11,518	12,018
	Brokerage	88,500	-
	Annual General Meeting Expenses	970	1,048
	Annual Share Listing Fees	16,545	11,030
(g)	Books & Periodicals,News Papers	6,015	5,949
(h)	Electricity Expenses	636,239	743,799
(i)	Auditors Remuneration	78,034	79,196
(j)	Internet Expenses	196,366	248,463
(k)	Kasar / Vatav	-	51,925
	TOTAL	20,937,220	22,735,932

Significant Accounting Policies on Consolidated Financial Statements

NOTE 1

I. Significant Accounting Policies:

01] 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.

02] 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 31.03.12	As at 31.03.2011
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.

03] 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.

04] 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.

05] 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.

06] Fixed Assets

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

07] 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.	88,12,056	42,17,220
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

08] Investments

Investments are classified into long term and current investments.

Long-term 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.

09] 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.

10] 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.

11] 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.

II 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.

III 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.

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

Particulars	Unit	2011-2012	2010-2011
a) Amount used as the numerator Profit after Minority Interest	Rs. in Lac	48.58	36.01
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	468
d) Earnings per share (Basic)	Rs.	1.04	0.77

V Previous year's figures have been regrouped/ rearranged wherever necessary.

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 30th May, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
 JT.MANAGING DIRECTOR

PRATIK C. DADHANIYA
 DIRECTOR

VIMAL L. KALARIA
 DIRECTOR

F.Y. 2011-12

Financial Information of Subsidiary Companies

In Rs.

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
1	Rajkot Computer Education Pvt. Ltd.	INR	100000	299807	151362	8427	296360	19047	983	-	983	-	India
2	Ace Infoworld Pvt. Ltd.	INR	6404250	32773158	33341421	1904617	7740604	2396751	992189	78259	913930	-	India
3	Aspire Exim Pvt. Ltd.	INR	100000	999756	46731	8427	1061452	69518	58691	-	58691	-	India
4	Citizen Solutions Pvt. Ltd.	INR	100000	871269	48154	8427	931542	60346	49519	-	49519	-	India
5	Cosmos Services Pvt. Ltd.	INR	100000	711637	46578	8427	773485	50351	39524	-	39524	-	India
6	Jubilant Exim Pvt. Ltd.	INR	100000	774336	48653	8427	834110	54747	43920	-	43920	-	India
7	Speedwell Engineers Pvt. Ltd.	INR	100000	1713697	50499	8427	1771625	118612	107785	-	107785	-	India





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