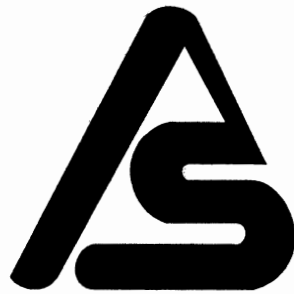


SIXTEENTH ANNUAL REPORT 2009-2010



Ace Software Exports Limited

BOARD OF DIRECTORS

VIKRAM B. SANGHANI

Jt. Managing Director

SANJAY H. DHAMSANIA

Jt. Managing Director

DHARAMSHIBHAI R. VADALIYA

VIMAL KALARIA

PRATIK DADHANIA

COMPANY SECRETARY

N. I. THOMAS

AUDITORS

KALARIA & SAMPAT

Chartered Accountants

BANKERS

BANK OF BARODA

HDFC BANK LTD.

AXIS BANK LTD.

FOREIGN COLLABORATORS

APEX DATA SERVICES INC.,

U.S.A.

REGISTERED OFFICE

801, Everest Commercial Complex,
Opp. Shastri Maidan,
RAJKOT - 360 001.



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of **ACE SOFTWARE EXPORTS LIMITED** will be held on Saturday, 25th September, 2010 at 11.00 a.m. at the Registered Office of the Company situated at 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and 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 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 Kalaria, who is liable to retire by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration

Special Business:

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

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Pratikumar Dadhania, who was appointed as an additional director by the Board, and is eligible for appointment as director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Director of the Company and he shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all things, deeds, acts as may be necessary in this regard."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

"RESOLVED THAT the consent of the Company pursuant to Section 293(1)(e) and other applicable provisions of the Companies Act, 1956 be and is hereby given to the Board of Directors to contribute and / or to subscribe and/or otherwise to assist during the financial year 2010-2011, any charitable, benevolent, public or general and other funds and to any society, association or institution, notwithstanding that such contributions, subscriptions and expenditure do not directly relate to the business of the Company or the welfare of its employees, upto a sum of Rs.25 lacs (Twenty Five Lacs)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion consider necessary, appropriate and incidental thereto to give effect to this resolution including settling of any question with regard thereto and to delegate all or any of the powers herein conferred, to any Director or Directors and/or any officer or Officers of the Company to give effect to this resolution"

7. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution

"RESOLVED THAT in pursuance of applicable provisions, if any, of the Companies, Act, 1956, the approval of Members be and is hereby accorded to the Board of Directors of the Company to purchase and/or sale offices, premises, land, or any other immovable properties from/to any person including directors/relative of Directors or entities in which Directors are directly or indirectly interested"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all things, deeds, acts, as may be required to do in this connection"

8. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution

"RESOLVED THAT in pursuance of applicable provisions, if any, of the Companies, Act, 1956, the approval of Members be and is hereby accorded to the Board of Directors of the Company for sale of plots of land as per informations provided in the explanatory statement, to any person (including Directors or relatives of Directors or promoters of the Company), Company, firm, body corporate, trust, whether director/ promoters of the Company are interested in these entities or not"

"RESOLVED FURTHER THAT the said sale will not effect any business or operations of the Company as these plots are not used or proposed to be used by business /operations of the Company"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate and finalise the sale price of such plots of land and do all things, deeds, acts, as may be required to do in this connection"

For & on behalf of Board of Directors,

(Vikram B. Sanghani)
Jt. Managing Director

Notes:

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 Dhamsania and Shri Vimal Kalaria, Director of the company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself 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. Intime Spectrum Registry 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 14th September, 2010 to 24th September, 2010 (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
31.03.2004	30.09.2004	29.09.2011
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.

Annexure to the Notice

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 5 :

The Board of Directors of the Company appointed Shri Pratikkumar Dadhanian as an Additional Director of the Company with effect from 30th January, 2010, pursuant to section 260 of the Act and provisions of the Articles of Association of the Company. Under section 260 of the Company Act, Shri Pratikkumar Dadhanian ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. A notice under section 257 of Act has been received from a Member signifying his intention to propose appointment of Shri Pratikkumar Dadhanian as a Director.

Shri Pratikkumar Dadhanian has done his graduation in Architecture from CEPT Ahmedabad. Shri Dadhanian is a Practising Architect since 1996. He has designed well known public buildings constructed by Government or semi-government authorities, educational Institutions, trust etc. Shri Dadhanian is a Member of Council of Architecture, Delhi & Indian Institute of Architects, Mumbai. He is an independent & non-executive Director of the Company. The Directors recommend the Resolution at Item 5 of the accompanying notice for approval of the Members of Company. Shri Pratikkumar Dadhanian is concerned or interested in item no. 5 of the notice.

Item No. 6 :

Members are aware that in view of the high industrial and economic growth, increasing Corporate Social Responsibilities (CSR) / obligations towards the society, the Company may like to contribute and donate from time to time to such charitable and other funds not directly relating to the business of the Company or the welfare of its employees and the amount of contribution whereof may exceed the limits prescribed under Section 293 (1) (e) of the Companies Act, 1956. Various measures are being taken by the Union Government and state Governments for upliftment of various classes of society, and your Company would like to be a good "corporate citizen" by executing its social responsibility.

None of the Directors of the Company is interested in the said resolution. Hence, Members are requested to pass the Resolution as an ordinary resolution

Item No. 7 & 8:

Members are aware that the Company is situated at 8th Floor, Everest Commercial Complex, Opp Shastri Maidan, Rajkot. The said offices are owned by M/s Ace Software Exports, a partnership firm, in which Mr. Vikram Sanghani & Mr. Sanjay Dhamsania, Directors of the Company are partners. Presently, the Company is using the said offices on lease basis and the said lease will be expired on 30.03.2010. Looking into the present trend of constant increase in real estate markets, it will be advisable to purchase the offices in name of the Company itself, so that lease rental can be saved as well as the properties can be owned by the Company. Further, the Company is having idle plots of land situated at Munjka (Dist. Rajkot). These plots are not presently used by the Company neither it is proposed to be used for the business of the Company, considering the fact that there is no plan of the Company to diversify its business activities in real estate, Hence, it is proposed to sale the said plots and utilise the sale proceeds in business/ operations of the Company.

Provisions of Section 297, which governs the transactions between the Company on one hand and the Director/relative of directors/ partnership firms of Directors/private limited company in which Directors are interested etc. on other hand, however, do not apply to transaction related to immovable properties. Hence, the proposed purchase of offices also does not fall within purview of Section 297 and there is no legal binding on the Company to obtain approval of Members or any authority. However, the Company believes in maintenance of corporate governance system in letter & spirit. The Company believes that as Directors are involved in this transaction, the said purchase should be approved by the Members. This will be a step towards enhancing corporate governance practices as well as creating trust amongst stakeholders that every transaction in company goes through transparent mechanism. Further, the said transaction is also approved by the Committee of Independent Directors of the Company.

Members are requested to pass the Resolution as an Ordinary Resolution. Shri Vikram Sanghani, and Shri Sanjay Dhamsania, Jt. Managing Directors of the Company are interested in this Resolution.

No other Director is, anyway, interested in this Resolution.



DIRECTORS' REPORT

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

The Directors of the company have pleasure in presenting their **SIXTEENTH ANNUAL REPORT** together with the Audited Financial Statements of your Company for the Financial Year ended on **31st March, 2010**.

FINANCIAL RESULTS:

Your Company's performance for the year ended on 31st March, 2010 is summarized as under:

Particulars	(Amount in INR)	
	For the year ended on 31st March, 2010	For the year ended on 31st March, 2009
Sales & other income	2,42,10,206	4,07,25,164
Profit (loss) before depreciation	(10,78,767)	60,79,383
Less:		
- Depreciation	9,16,083	8,92,336
Net profit (loss) before taxation	(19,94,850)	51,87,047
Less:		
- Taxation	—	2,25,000
- Fringe benefit tax	—	47,050
Net profit (loss) after taxation	(19,94,850)	49,14,997
Add: Profit & loss account balance brought forward	7,70,50,971	7,16,62,066
Excess provision of earlier year written back	(3,25,907)	76,896
Excess provision of dividend & DDT thereon	—	3,97,011
Balance carried to Balance sheet	7,47,30,214	7,70,50,971

PERFORMANCE:

During the financial year 2009-10, your Company has achieved total turnover of Rs. 2,42,10,206 as compared to Rs. 4,07,25,164 of previous year. For the period under Report, your Company has incurred net loss of Rs. 19,94,850 as compared to net profit of Rs. 49,14,997 in financial year 2008-09. The turnover of company has decreased considerably due to global recessionary conditions, specifically the downturn in the company's main market U.S.A., which has adversely affected its bottom-line. The company has plans to initiate marketing efforts to increase revenues in coming months.

DIVIDEND:

With a view of loss during the year, the Board do not recommend any dividend.

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 Sanjay Dhamsania and Shri Vimal Kalaria Directors are liable to retire by rotation and being eligible offer themselves for reappointment. Brief Resumes of Directors are attached with Notice of the AGM. Members are requested to reappoint the Directors.

The Board of Directors of the Company appointed Shri Pratikumar Dadhania, as an Additional Director of the Company with effect from 30th January 2010, pursuant to section 260 of the Act read with provisions of the Articles of Association of the Company. He is an independent & non-executive Director of the Company. Under section 260 of the Company Act, Shri Pratikumar Dadhania ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. A notice under section 257 of Act has been received from a Member signifying his intention to propose his appointment as a Director. Members are requested to appoint Shri Pratikumar Dadhania as Director.

Further, Ms. Trupti Lele, Independent & Non-Executive Director has resigned from Directorship w.e.f. 30th January, 2010. The Board took note of valuable contribution made by Mrs Lele during her tenureship as Director.

CORPORATE GOVERNANCE

Since inception, the Company laid a lot of 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 below mentioned Seven Subsidiary Companies. The Annual Report of Ace Software Exports Ltd. for the financial year 2009-10 includes Directors' Report, Auditors' Report, Profit & Loss Account, Balance Sheet and Notes to Accounts of below mentioned subsidiary companies as per Section 212 of the Companies Act, 1956

Sr. No.	Name of Subsidiary companies	Percentage stake owned by Ace Software Exports Ltd. (%)
1	Apex Advanced Technology Pvt. Ltd, Hyderabad	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, whose details are required to be mentioned as per section 217(2A) of the Companies Act, 1956.

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 Covantage, 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	2009-10	2008-09
Foreign Exchange earnings	USD 4,20,115.75 (INR 1,89,20,435.00)	USD 5,85,511.63 (INR 2,68,57,714.00)
Foreign Exchange Outgo	USD 2,601.00 (INR 1,26,177.00)	USD 28,185.41 (INR 13,58,167.00) on revenue items GBP 1,500.00 on revenue items (INR 1,16,450.00)

1. Management Discussion and Analysis Report:

a. Industry Structure & Development:

Worldwide technology and related products and services spend is estimated to have crossed USD 1.5 trillion in 2009. This is decline of 2.9 % over year 2009 as per NASSOCOM Strategic Review 2010. Due to global slowdown, considerable reductions were made in information technology expenditures all over the world. The Company's business relates to database creation (E-publishing) pertaining to Information Technology Enabled Services. This includes creating large volume of full text, image based data. The company continues to source its entire work from Apex Group, USA.

b. Opportunity, Threats and Outlook Risk & Concerns:

There has been a global slowdown in the IT industry, and due to huge pressure on margins, your company is facing threat of decreasing in total revenues and profitability.

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.

f. Material development in Human resources/Industrial relation front, including number of people employed:

The company continues to maintain excellent industrial relations. It conducts training and educational programs as per the requirements of the organization which helps the employees to improve efficiency and in turn, increase the productivity. As a Human Resource Development policy your company endeavors to attract and retain best professional talent, by creating and providing a professional work culture in the organization.

For & on behalf of Board of Directors,

Vikram B. Sanghani
Jt. Managing Director

Sanjay H. Dhamsania
Jt. Managing Director

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, 2009 consists of Five directors out of which three (3) are Independent Non-Executive Directors and two (2) are Executive Directors. The composition of the Board and other relevant details relating to Directors are given below:

<u>Name of Director</u>	<u>Category</u>	<u>No. of shares held in the company</u>	<u>No. of other Director Ship</u>	<u>No. of memberships of other Board Committees</u>	<u>No. of other Board Committees of which the Director is a Chairperson</u>	<u>No. of Board meetings attended</u>	<u>Whether attended last AGM</u>
Vikram Sanghani	Executive & Non Independent	7,23793 ¹	10	1	-	9	Yes
Sanjay Dhamsania	Executive & Non Independent	7,29,818 ²	10	1	-	9	Yes
Pratikumar Dadhanania ³	Non-Executive & Independent	Nil	5	3	-	-	Not Applicable ¹
Vimal Kalaria	Non-Executive & Independent	Nil	8	2	2	7	Yes
Dharamshi Vadalia	Non-Executive & Independent	Nil	6	3	1	5	No
Trupti Lele ²	Non-Executive & Independent	Nil	Nil	-	-	-	Yes

1. Appointed w.e.f. 30th January, 2010

2. Resigned w.e.f. 30th January, 2010

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

** Includes shares held jointly with Mr Sanjay Dhamsania & others as well as shares held as partner of Ace Technologies

Includes shares held jointly with Mr Vikram Sanghani & others as well as shares held as partner of Ace Technologies

Board Meetings

The Board of Directors met 8 times during the year 2009-10.

3. Audit Committee:

The Audit Committee of the Company consists of three Independent Directors, Mr. Vimal Kalaria, Mr. Pratik Dadhanania and Mr. Dharmshibhai Vadalia. Mr. Vikram Sanghani, Jt. Managing Director, resigned from the Committee w.e.f. 30th January, 2010 with a view to give more independence to the Committee and bring better corporate governance. Further, Ms. Trupti Lele, Independent Director, as she resigned as Director from the Company, also resigned as Member of the Audit Committee. Mr. Pratik Dadhanania, appointed as Member of the Committee w.e.f. 30th January, 2010

The Audit Committee met 4 times during the year

<u>Name</u>	<u>Designation</u>	<u>No. of Committee meetings attended</u>
Mr. Vimal Kalaria	Chairman	4
Mrs. Trupti Lele ¹	Member	3
Mr. Pratik Dadhanania ²	Member	1
Mr. Dharamshibhai Vadalia	Member	4
Mr. Vikram Sanghani ³	Member	3

1. Resigned from the Audit Committee w.e.f. 30th January, 2010

2. Appointed in the Audit Committee w.e.f. 30th January, 2010

3. Resigned from the Committee w.e.f. 30th January, 2010.

Mr. N. 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:

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Committee meetings attended</u>
Vimal Kalaria	Chairman	3
Dharamshibhai Vadalia	Member	3
Trupti Lele ¹	Member	2
Mr. Pratik Dadhanania ²	Member	1

1. Resigned from the Audit Committee w.e.f. 30th January, 2010

2. Appointed in the Audit Committee w.e.f. 30th January, 2010

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:

<u>Name of Exec. Director</u>	<u>Salary (Rs.)</u>	<u>Medical Exp (Rs.)</u>
Vikram Sanghani	13,05,000	15,000
Sanjay Dhamsania	13,05,000	15,000

3. Sitting fees paid to Non-Executive & Independent Director:

<u>Name of Director</u>	<u>Sitting Fees 2009-10</u>
Vimal Kalaria	7500
Dharamshibhai Vadalia	6000
Trupti Lele	6000
Pratik Dadhanania	1500
TOTAL	21000

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 Vadalia	Chairman	Non-Executive Independent Director
Pratik Dadhania	Member	Non-Executive Independent Director
Vikram Sanghani	Member	Executive-Non Independent Director
Sanjay Dhamsania	Member	Executive-Non Independent Director

1. Appointed in the Committee w.e.f. 30th January, 2010

- ii. Mr. N. I. Thomas, Company Secretary, has been designated as the compliance officer of the company.
- iii. The Company has received No complaints during the year 2009-10 and the same have been satisfactorily attended to.
- iv. No investor complaints remained pending as on 31.03.2010.

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
25.09.2007	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot - 360 001	Approval of remuneration scale payable to both Jt. Managing Directors and under Section 269, 198, 309 of the Companies Act, 1956
25.09.2008	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot - 360 001	No special Resolution passed in AGM 2008
30.09.2009	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot - 360 001	Approval of remuneration scale payable to both Jt. Managing Directors and under Section 269, 198, 309 of the Companies Act, 1956

7. Disclosures:

i. Significant related party transactions:

There were no materially significant related party transactions, during the year-ended 31.03.2010 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-13 (Notes to Accounts) to the Accounts, 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

9. General Shareholder's information:

i. Annual General Meeting:

Date : 25th September, 2010
 Time : 11,00 A.M.
 Venue : 801-"Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot - 360001

ii. Financial Year:

Tentative Schedule for the Financial Year 2010-11:
 June 30, 2010 : July 2010 (4th Week)
 September 30, 2010 : October 2010 (3rd Week)
 December 31, 2010 : January 2011 (3rd /4th Week)
 March 31, 2011 : May 2011 (3rd /4th Week)

iii. Date of Book Closure:

14th September, 2010 to 24th September, 2010 (Both days inclusive)

iv. Dividend Payment Date:

As the Board of Directors' have not recommended any dividend on equity shares for FY 2009-10, hence no dividend is payable to the shareholders.

v. Listing on the Stock Exchange:

The Bombay Stock Exchange Ltd., Mumbai.

vi. Scrip/Stock Code:

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

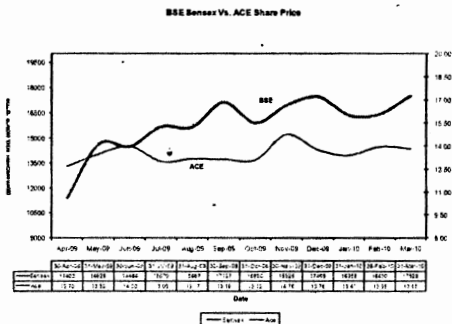
vii. Market price:

Month	High	Low
April-09	16.00	12.45
May-09	14.60	12.20
June-09	14.64	12.65
July-09	13.50	12.00
August-09	13.50	12.00
September-09	15.00	12.55
October-09	14.13	12.20
November-09	16.65	12.60
December-09	15.67	12.70
January-10	16.39	13.16
February-10	14.96	12.80
March-10	15.00	13.04

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

viii. Performance in comparison to BSE Sensex:



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, 2010):

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS	TOTAL SHARES	% OF SHARES/DEBENTURES
00001 to 0500	3216	83.4460	605452	12.9370
00501 to 1000	341	8.8480	284041	6.0690
01001 to 2000	140	3.6330	213056	4.5520
02001 to 3000	43	1.1160	113668	2.4290
03001 to 4000	20	0.5190	71944	1.5370
04001 to 5000	14	0.3630	68610	1.4660
05001 to 10000	30	0.7780	238004	5.0860
10001 & above	50	1.2970	3085225	65.9240
TOTAL	3854	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, 2010, 51.50% of the Equity Shares (total paid up shares as on 31st March, 2010) of the company have been dematerialized.

xiii. Outstanding GDRs/ADRs/Warrants:

There are no outstanding GDRs/ADRs/Warrants as on 31st March, 2010.

xiv. Facility Location:

1. 801, Everest Comm. Complex,
Opp. Shastri Maidan,
Rajkot – 360 001.
2. 801, Aalap – B,
Opp. Shastri Maidan,
Rajkot – 360 001.
3. 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(I) (d))

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

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

Place:- Rajkot
Date:- 29/05/2010

Vikram Sanghani
Jt. Managing Director

Sanjay Dhamsania
Jt. Managing 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 2009-2010 ended on 31st March, 2010, and to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- (c) 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:

- (a) 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
- (b) Significant changes in the internal control during the year
- (c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
- (d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place:- Rajkot
Date:- 29/05/2010

Vikram Sanghani
Jt. Managing Director

Sanjay Dhamsania
Jt. Managing Director

Auditors' Report

To
The Members,
ACE SOFTWARE EXPORTS LIMITED

We have audited the attached Balance Sheet of **ACE SOFTWARE EXPORTS LIMITED**, as at 31st March 2010, and also 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 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, 2010, and taken on records by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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, 2010;
 - (b) In the case of the Profit & Loss Account, of the Loss 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]

Brijen N. Sampat
Partner

Rajkot, Dated 29th May 2010

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 granted unsecured loans to the companies covered in the register maintained under section 301 of the Companies Act, 1956 aggregating Rs. 96.98 lacs which have been fully repaid during the year under review.
- (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 purchases of inventory, fixed assets and with regard to the sale of goods & 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, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess 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, 2010 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, the company has no accumulated losses. The company has incurred cash losses amounting to Rs. 10,78,767 during the financial year covered by our audit however there were no cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and bank. The Company has not borrowed any sums through any debentures.
- (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 shares, securities, debentures and other investments dealt or traded by the company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein.
- (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, 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]

Brijen N. Sampat
Partner

Rajkot, Dated 29th May 2010



Ace Software Exports Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009 (in Rs.)
I. SOURCES OF FUNDS :			
(1) Shareholder's Funds :			
(a) Share Capital	1	46,800,000	46,800,000
(b) Reserves & Surplus	2	<u>88,653,273</u>	<u>90,974,030</u>
		<u>135,453,273</u>	<u>137,774,030</u>
II. APPLICATION OF FUNDS :			
(2) Fixed Assets :			
Gross Block	3	57,809,916	57,880,605
Less : Depreciation		36,068,296	35,582,096
Less : Impairment		<u>7,100,000</u>	<u>7,100,000</u>
Net Block		14,641,621	15,198,510
(3) Investments	4	74,635,640	47,230,523
(4) Current Assets, Loans & Advances :			
(a) Inventories	5	2,409,105	3,655,803
(b) Cash & Bank Balances		3,736,246	4,973,631
(c) Loans and Advances		<u>43,595,177</u>	<u>70,673,725</u>
		49,740,528	79,303,159
Less : Current Liabilities & Provisions :			
(a) Current Liabilities	6	2,440,184	2,501,848
(b) Provisions		<u>1,124,331</u>	<u>1,456,314</u>
		3,564,515	3,958,162
Net Current Assets		46,176,013	75,344,996
		<u>135,453,273</u>	<u>137,774,030</u>
NOTES TO ACCOUNTS	12		

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, Dated 29th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR JT.MANAGING DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009 (in Rs.)
I. INCOME :			
Sales & Services	7	18,920,435	26,857,714
Other Income	8	6,536,469	12,027,982
Stock Variance	9	<u>(1,246,698)</u>	<u>1,839,468</u>
		<u>24,210,206</u>	<u>40,725,164</u>
II. EXPENDITURE :			
Operating Expenses	10	17,950,605	20,604,073
Administrative Expenses	11	7,338,368	14,041,709
Depreciation/Amortization/Impairment Loss		<u>916,083</u>	<u>892,336</u>
		26,205,056	35,538,118
Profit/(Loss) before tax		(1,994,850)	5,187,047
Less : Provision for tax			225,000
Current Tax			47,050
Fringe Benefit Tax			<u>272,050</u>
Profit/(Loss) after tax		<u>(1,994,850)</u>	<u>4,914,997</u>
Add. : Profit & Loss Account B/fd. from last year		77,050,971	71,662,066
Excess Provision of earlier year written back		<u>(325,907)</u>	<u>76,896</u>
Add. : Excess Provision of Dividend & Tax thereon:			397,011
Excess Provision of Dividend & Distribution Tax thereon			<u>397,011</u>
Balance Carried Forward to Balance Sheet		<u>74,730,214</u>	<u>77,050,971</u>
NOTES TO ACCOUNTS	12		

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, Dated 29th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR JT.MANAGING DIRECTOR

N. I. THOMAS
COMPANY SECRETARY



CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

(Rs. In lakhs)

	31.03.2010	31.03.2009
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	(20)	52
Adjustments for :		
Depreciation & other non cash charges	9	40
Dividend Income	(17)	(30)
Surplus on sale of Investments/Assets (net)	(2)	(45)
Interest Income	(42)	(43)
Interest Expenses	2	-
Operating Profit before working capital changes	(70)	(26)
Adjustments for :		
Increase/decrease in current liabilities	(2)	(130)
Increase/decrease in current assets	280	(18)
Trade Payables	-	(8)
Cash generated from Operations	208	(182)
Direct taxes paid (net of refunds)	(2)	(14)
Cashflow before extra-ordinary items	206	(196)
Net cashflow from operating activities	206	(196)
B. Cashflow from investing activities		
Purchase of Fixed Assets	(6)	(14)
Sale of Fixed Assets	4	135
Purchase of Investments	(274)	-
Sale of Investments	-	52
Interest Received	42	44
Dividend Income	17	30
Net cash generated/used in investing activities	(217)	247
C. Cashflow from financing activities		
Repayment of loans	-	(39)
Interest paid	(2)	-
Payment of Dividend & Distribution Tax thereon	-	(27)
Net cash generated/used in financing activities	(2)	(66)
Net increase in cash and cash equivalent	(12)	(15)
Cash and cash equivalent as at 31.3.2009 (Opening Balance)	50	65
Cash and cash equivalent as at 31.3.2010 (Closing Balance)	37	50

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

RAJKOT, Dated 29th May, 2010

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI
JT.MANAGING 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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, Dated 29th May, 2010



SCHEDULE - 1

(in Rs.)

SHARE CAPITAL	31.03.2010	31.03.2009
AUTHORISED SHARE CAPITAL :		
60,00,000 Equity Shares of Rs.10/- each	60,000,000	60,000,000
ISSUED,SUBSCRIBED & PAID-UP :		
46,80,000 Equity Shares of Rs. 10/- each fully paid-up	46,800,000	46,800,000
	46,800,000	46,800,000
	46,800,000	46,800,000

SCHEDULE - 2

(in Rs.)

RESERVES & SURPLUS	31.03.2010	31.03.2009
Capital Reserve	675,261	675,261
Capital Redemption Reserve	10,200,000	10,200,000
General Reserve	3,047,798	3,047,798
<i>Profit & Loss Account:</i>	74,730,214	77,050,971
	74,730,214	77,050,971
	88,653,273	90,974,030

SCHEDULE - 3

FIXED ASSETS AS AT 31ST MARCH, 2010

(in Rs.)

ASSETS HEAD	GROSS BLOCK			DEPRECIATION				NET BLOCK				
	OPENING BALANCE	ADDI-TIONS	DEDUC-TIONS	CLOSING BALANCE	UP TO 31.03.2009	FOR THE YEAR	DEPRE. ADJUST.	UP TO 31.03.2010	AS ON 31.03.2009	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
(A) ACE SOFTWARE EXPORTS LIMITED :												
Office & Residential Premises	11,396,971	-	-	11,396,971	1,984,988	185,771	-	2,170,759	-	-	9,226,212	9,411,983
Computers & Peripherals	20,827,338	455,350	-	21,282,688	18,273,822	195,816	-	18,469,638	1,600,000	1,600,000	1,213,050	953,516
Furniture & Fixtures	6,616,668	-	-	6,616,668	2,881,594	103,648	-	2,985,242	2,200,000	2,200,000	1,431,425	1,535,073
Office Equipments	5,276,887	133,952	-	5,410,839	2,250,694	36,639	-	2,287,333	2,300,000	2,300,000	823,505	726,192
Motor Car	3,499,557	-	383,620	3,115,937	1,926,206	329,421	383,619	1,872,008	-	-	1,243,929	1,573,351
	47,617,420	589,302	383,620	47,823,102	27,317,304	851,295	383,619	27,784,980	6,100,000	6,100,000	13,938,122	14,200,116
(B) ACE CAD SERVICES STP RAJKOT :												
Office Premises	276,371	-	276,371	-	43,660	2,604	46,264	-	-	-	-	232,711
Computers & Peripherals	7,683,320	-	-	7,683,320	7,447,222	26,330	-	7,473,552	100,000	100,000	109,768	136,098
Furniture & Fixtures	1,116,579	-	-	1,116,579	414,880	17,009	-	431,889	450,000	450,000	234,690	251,699
Office Equipments	1,186,916	-	-	1,186,916	359,029	18,845	-	377,874	450,000	450,000	359,042	377,887
	10,263,186	-	276,371	9,986,815	8,264,791	64,788	46,264	8,283,315	1,000,000	1,000,000	703,499	998,394
TOTAL (A)+(B)	57,880,605	589,302	659,991	57,809,916	35,582,096	916,083	429,883	36,068,296	7,100,000	7,100,000	14,641,621	15,198,510
PREVIOUS YEAR	68,033,435	1,387,128	11,539,957	57,880,605	34,747,027	892,336	57,267	35,582,096	7,100,000	7,100,000	15,198,510	33,286,408

Ace Software Exports Ltd.

SCHEDULE - 4				SCHEDULE - 5				
(in Rs.)				(in Rs.)				
INVESTMENTS		31.03.2010	31.03.2009	CURRENT ASSETS, LOANS & ADVANCES		31.03.2010	31.03.2009	
A. LONG TERM INVESTMENTS :				CURRENT ASSETS :				
Trade Investments		No. of Shres/Bonds/Units		[As taken, valued and certified by the Management]				
In Equity Shares		fully paid-up		Cash and Bank Balances :				
Unquoted, fully paid up				Cash On Hand				
Ace Computer Education Private Limited		240	1,262,000	1,262,000	Balances with Scheduled Bank :			
Rajkot Oilcake Private Limited		10	100	100	Current Accounts			
In Equity Shares of Subsidiary Companies					Dividend Accounts			
Unquoted, fully paid up					Deposit Accounts			
Rajkot Computer Education Private Limited		1,000	496,960	496,960	LOANS AND ADVANCES :			
Apex Advance Technology Private Limited		631,525	20,581,369	20,581,369	(Unsecured & considered good unless otherwise stated)			
Aspire Exim Pvt.Ltd.		10,000	100,000	100,000	(a) Advances to Staff			
Citizen Solution Pvt.Ltd.		10,000	100,000	100,000	(b) Advances to Others			
Cosmos Services Pvt.Ltd.		10,000	100,000	100,000	(c) Other Deposits			
Jubilant Exim Pvt.Ltd.		10,000	100,000	100,000	(d) Tax Deducted at Sources			
Speedwell Engineers Pvt.Ltd.		10,000	100,000	100,000	(e) Interest Receivables			
In Equity Shares Quoted, fully paid up					(f) Advances Recoverable in cash or in kind or for value to be received			
Bongaingaon Refinery & Petrochemicals Ltd.				113,968	(g) Pre-paid Expenses			
Indian Oil Corporation		366	113,968	-	28,894 37,727			
[Market value of Quoted Investments as on 31.03.2010 Rs.296.75 per share]					<u>49,740,528 79,340,765</u>			
Total Value of Long Term Investments			22,954,397	22,954,397	SCHEDULE - 6			
				(in Rs.)				
B. CURRENT INVESTMENTS :				CURRENT LIABILITIES & PROVISIONS		31.03.2010	31.03.2009	
Other Investments				Sundry Creditors :				
In Units				For Expenses				
Quoted, fully paid up				Others :				
HDFC Cash Management Fund (Treasury Advantage Plan)		2,706,702	27,135,205	2,891,688	Current Liabilities			
[46,32,989 Units Purchased, 22,59,236 Unit Sold during the year]					Tax Deducted at Sources			
Franklin India - Prima (Dividend Reinvestment Plan)		136,672	3,091,108	2,394,311	Unclaimed Dividend			
[18,265 Units Purchased during the year]					PROVISIONS:			
Franklin India - Bluechip Fund (Dividend Reinvestment Plan)		136,671	4,912,609	3,415,934	For Expenditure			
[19,599 Units Purchased during the year]					For Income Tax			
Franklin India - Flexi Cap (Dividend Reinvestment Plan)		140,183	2,333,280	1,405,629	For Fringe Benefit Tax			
[32,495 Units Purchased during the year]					For Wealth Tax			
Total Value of Current Investments in Mutual Funds			37,472,203	10,107,561	126,950 202,420			
Less : Diminution in value of Current Investments in Mutual Funds					<u>3,564,515 3,958,162</u>			
Net Value of Current Investments in Mutual Funds			37,472,203	10,107,561	SCHEDULE - 7			
				(in Rs.)				
In Bonds & Debentures				SALES & SERVICE		31.03.2010	31.03.2009	
Unquoted, fully paid up				Export of Computer Software				
Housing & Urban Development Corporation		4	2,000,000	2,000,000	18,920,435 26,857,714			
[Interest accrued Rs.1,80,000/- during the year]					<u>18,920,435 26,857,714</u>			
RECL 54EC Bonds		500	5,000,000	5,000,000	SCHEDULE - 8			
[Interest accrued Rs.2,06,438/- during the year]					(in Rs.)			
Investment in Property				OTHER INCOME		31.03.2010	31.03.2009	
Plot of Land at Munjka, Dist. : Rajkot			7,066,186	7,025,711	Interest (Net)			
Plot of Land at Sitvan, Dist. : Rajkot			142,854	142,854	Dividend Income			
Total			74,635,640	47,230,523	Profit on Sale of Investments/Assets			
					Miscellaneous Income			
					Kasar			
					682,643 4,469,273			
					176,248 175,400			
					- 4,479			
					<u>6,536,469 12,027,982</u>			
				SCHEDULE - 9				
				(in Rs.)				
STOCK VARIANCE		31.03.2010	31.03.2009					
Closing Stock		2,409,105	3,655,803					
Less : Opening Stock		3,655,803	1,816,335					
Total		(1,246,698)	1,839,468					

SCHEDULE - 10			SCHEDULE - 11		
(in Rs.)			(in Rs.)		
	31.03.2010	31.03.2009		31.03.2010	31.03.2009
OPERATING EXPENSES			ADMINISTRATIVE EXPENSES		
Salaries & Bonus	1,979,786	1,524,419	Rent,Rates,Taxes and Insurance	248,047	830,291
Staff Welfare Expenses	165,396	68,848	Repairs,Replacement & Maintenance	404,589	205,515
Software Sourcing Charges	15,706,944	18,899,940	Travelling,Conveyance & Vehicle	558,021	318,598
Provident Fund/ESI/Gratuity	89,266	94,860	Printing,Stationery,Postage & Xerox	665,207	542,147
Training Expenses	9,213	16,006	Legal & Professional Charges	1,036,657	1,353,317
			General Expenses	345,607	1,561,134
			Directors' Remuneration & Allowances	2,640,000	2,730,000
			Books, Periodicals & News Papers	5,490	75
			Service Tax Expenses	153,516	-
			Electricity Expenses	971,696	706,299
			Auditors Remuneration	44,120	-
			Internet Expenses	265,418	172,028
			Managerial Commission	-	121,158
			Loss on Sale of Fixed Assets	-	27,248
			Diminution in value of investment	-	3,100,000
			Case Settlement Expenses	-	10,000
			Corporate Expenses	-	2,363,899
				7,338,368	14,041,709
	17,950,605	20,604,073			

NOTES TO ACCOUNTS

SCHEDULE - 12

1 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 principals 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 in the year of payment.

03) Employee Benefits:

Company's contributions paid/payable during the year to Employee State Insurance, Provident Fund and 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 long term and current investments.

Long-term 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.

II Related Party Disclosure:

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

(in Rs.)

Particulars	Name of the Company/Associates	Subsidiaries	Associate	Key Management Personnel				Total
				Opening Balance	Receipt	Repayment	Closing Balance	
Software Exports	Apex Covantage, LLC		1,87,19,583				1,87,19,583	
Advance Received against Export Orders	Apex Covantage, LLC		10,19,331				10,19,331	
Leasing or Hire Purchase Arrangements	Ace Software Exports		42,000				42,000	
Security Deposits Given	Ace Software Exports		65,00,000				65,00,000	
Equity	Rajkot Computer Education Pvt. Ltd.	4,96,960					4,96,960	
	Ace Computer Education Pvt. Ltd.	-	12,62,000				12,62,000	
	Apex Advanced Technology Pvt. Ltd. - Hyderabad	2,05,81,369					2,05,81,369	
	Aspire Exim Pvt. Ltd.	1,00,000					1,00,000	
	Citizen Solution Pvt. Ltd.	1,00,000					1,00,000	
	Cosmos Services Pvt. Ltd.	1,00,000					1,00,000	
	Jubilant Exim Pvt. Ltd.	1,00,000					1,00,000	
	Speedwell Engineers Pvt. Ltd.	1,00,000					1,00,000	
Loans from Key Management Personnel	Sanjay Dhamsania-JT MD			-	42,75,000	42,75,000	-	
	Vikram Sanghani- JT MD			-	25,00,000	25,00,000	-	
Interest Payable	Sanjay Dhamsania-JT MD						68,560	
	Vikram Sanghani- JT MD						63,370	
Directors' Remuneration	Sanjay Dhamsania-JT MD						13,05,000	
	Vikram Sanghani- JT MD						13,05,000	
Reimbursement of Medical Expenses	Sanjay Dhamsania-JT MD						15,000	
	Vikram Sanghani- JT MD						15,000	

III. Segment Reporting:

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

IV Deferred Tax Liabilities/(Assets):

Particulars	Current Year Charge/(Credit)
Difference between book and tax depreciation, etc. (Related to Fixed Assets)	7,43,962
Profit on Sale of Assets	2,19,893
Net Timing Difference	9,63,855
Deferred Tax Liability	3,27,614

The Deferred Tax Liability of the Current Year amounting to Rs. 3,27,614 has been set off against the Deferred Tax Asset of the Previous Year amounting to Rs.47,39,706/-. However no further deferred tax asset is recognized as there is no further certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

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

Particulars	Unit	2009-10	2008-09
a) Amount used as the numerator Profit after taxation	Rs. in Lac	(19.95)	49.15
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.	(0.43)	1.05

VI. Payment to Auditors

Particulars	2009-2010	2008-2009
Statutory & Tax Audit	30,000	30,000
Income Tax matters	10,000	10,000
Services Tax	4,120	4,120
Total	44,120	44,120



VII Earnings and Expenditure in Foreign Exchange

Particulars	Unit	2009-2010	2008-2009
Export Value of Database Creation	US \$	4,20,115.75	5,75,511.63
<i>Expenditure in Foreign Currency :</i>			
— Capital Expenditure	US \$	NIL	NIL
— Revenue Expenditure	US \$	2601.00	28,185.41
	GBP	NIL	1,500.00

VIII The provisions of Industries (Development & Regulation) Act, 1951 relating to licensed capacity are not applicable to the company. The Company is engaged in the development of Software and production & sale of such software cannot be expressed in generic units.

IX Gratuity Report Under AS-15 (Revised 2005) for year ended 31/03/2010

1. Assumption	As on 31/03/2009	31/03/2010
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
2. Table Showing changes in present value of obligation as on 31/03/2010.		
Present value of obligations as at beginning of year		4,09,736.00
Interest Cost		32,779.00
Current Service Cost		23,657.00
Benefits paid		(0.00)
Actuarial (gain)/loss on obligations		(1,034.00)
Present value of obligations as at end of year		4,65,138.00
3. Table Showing changes in the fair value of plan assets as on 31/03/2010.		
Fair value of plan assets at beginning of year		3,83,577.00
Expected return on plan assets		34,522.00
Contributions		0.00
Benefits paid		0.00
Actuarial gain/(loss) on Plan assets		Nil
Fair value of plan assets at the end of year		4,18,099.00
4. Table Showing fair value of plan assets.		
Fair value of plan assets at beginning of year		3,83,577.00
Actual return on plan assets		34,522.00
Contributions		0.00
Benefits paid		0.00
Fair value of plan assets at the end of year		4,18,099.00
Funded status		47,039.00
Excess of actual over estimated return on plan assets		NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31 st March)		
5. Actuarial Gain/Loss recognized.		As on 31/03/2010
Actuarial (gain)/loss on obligations		1,034.00
Actuarial (gain)/loss for the year – plan assets		NIL
Actuarial (gain)/loss on obligations		1,034.00
Actuarial (gain)/loss recognized in the year		1,034.00
6. The amounts to be recognized in the balance sheet and statements of profit and loss.		
Present value of obligations as at the end of year		4,65,138.00
Fair value of plan assets as at the end of the year		4,18,099.00
Funded status		47,039.00
Net asset/(liability) recognized in balance sheet		47,039.00
7. Expenses Recognized in statement of Profit and loss.		
Current Service Cost		23,657.00
Interest Cost		32,779.00
Expected return on Plan assets		(34,522.00)
Net Actuarial (gain)/loss recognized in the year		1,034.00
Expenses recognized in statement of Profit and Loss		20,880.00

X Contingent Liabilities NIL

XI The outstanding balances as at 31.03.2010 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.

XII 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.

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

XIV Schedules 1 to 12 form an integral part to the Financial Statements and have been authenticated.

Signature to Schedule 01 to 12

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, Dated 29th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR JT.MANAGING DIRECTOR

N. I. THOMAS
COMPANY SECRETARY



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A Registration Details

Registration No. State Code Balance Sheet
 DD MM YYYY

B Capital Raised during the year (Amount in Rs. '000)

Public Issue Rights Issue Bonus Issue Private Placement

C Position of Mobilisation and Deployment of Funds (Amt.in Rs.'000)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus Secured Loans Unsecured Loans Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments Net Current Assets
 Misc. Expenditure Accumulated Losses

D Performance of the Company (Amount in Rs. '000)

Total Income Total Expenditure
 + - Net Profit/Loss Before Tax + - Net Profit/Loss After Tax
 Earning per share in Rs. Dividend %

E Generic Names of The Principal Products/Services of Company

Item Code No. (ITC Code)
 Product Description

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA VIKRAM B. SANGHANI
 JT.MANAGING DIRECTOR JT.MANAGING DIRECTOR

N. I. THOMAS
 COMPANY SECRETARY

RAJKOT, Dated 29th May, 2010



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

(Rs. in lacs)

1. Name of Subsidiary	Rajkot Computer Education Pvt. Ltd.	Apex Advanced Technology 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	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
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	1,000 Equity Shares of Rs.100 each fully paid-up	1,000 Equity Shares of Rs.100 each fully paid-up	1,000 Equity Shares of Rs.100 each fully paid-up	1,000 Equity Shares of Rs.100 each fully paid-up	1,000 Equity Shares of Rs.100 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	-0.17	8.82	9.01	7.00	15.34	6.44	7.86
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	3.15	257.47	Nil	Nil	Nil	Nil	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI
JT.MANAGING DIRECTOR

N. I. THOMAS
COMPANY SECRETARY

RAJKOT, Dated 29th May, 2010



DIRECTORS' REPORT

To,
All the Members
Apex Advanced Technology Private Limited
Your Directors have pleasure in presenting the second Annual Report together with audited accounts of the Company for the year ended on 31st March, 2010.
FINANCIAL RESULTS:
SR. NO. PARTICULAR (Amt in Rs.)

SR. NO. PARTICULAR	2009-10	2008-09
1. Total Turnover / Sales / Gross Receipt	11250	Nil
2. Other Income	20,26,173.63	23,63,207.81
3. Profit Before Interest, Deprecation and Tax (PBIDT)	13,31,175.39	19,60,608.13
4. Interest and Financial Charges	Nil	Nil
5. Depreciation	Nil	Nil
6. Provision of Taxation	3,04,045	14,164
7. Profit After Interest, Deprecation and Tax (PAT)	10,27,130.39	19,46,444.13
Add/ Less:- Adjustment of PY Income Tax	Nil	Nil
NETPAT	10,27,130.39	19,46,444.13
8. Surplus brought forward from Previous Year	Nil	Nil
9. Profit Available for Appropriation	10,27,130.39	19,46,444.13
10. Appropriation		
Provisions for Dividend	Nil	Nil
Provisions for Tax on Dividend	Nil	Nil
Transfer to General Reserve	Nil	Nil
11. Surplus Carried forward to Balance Sheet	10,27,130.39	19,46,444.13

OPERATION:

Your Company has achieved total income of Rs. 20,37,423.63/- during the year under report, and the net loss of the Company has also been increased to 10,27,130.39/- during the year under report.

DIVIDEND:

With a view to plough back profits of the year, the Board of Directors of your Company do not recommend any dividend for the year.

SHIFTING OF THE REGISTERED OFFICE:

As members are aware that the Company has passed the Special Resolution in its Extra Ordinary General Meeting held on 20th November, 2009, for shifting of the Registered office from Hyderabad (State of Andhrapradesh) to Rajkot (State of Gujarat). Subsequently, the Company has filed petition with the Sourthen Bench of Hon'ble Company Law Board, Chennai, for obtaining Order for the shifting of the Registered office u/s 17 of the Companies Act, 1956. The CLB has, vide its Order dated 3rd June, 2010, approved the shifting of office from Hyderabad to Rajkot. The Company has filed the CLB Order with the Registrar of Companies, Gujarat as well as Registrar of Companies, Andhrapradesh. On shifting of the office to Rajkot, Board of Directors will be able to concentrate on affairs of the Company more efficiently and in turn, the Company will be benefited and stakeholders' value will be increased.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company being a software services provider company, particulars relating to Consumption of energy are not required to be given. However, the Company has taken sufficient steps for conservation of energy. Further, As the nature of the business of the Company is of software services provider, operations of the Company do not require any extensive and significant research and development activities. There has been no earnings or outgo in foreign exchange during the year under Report.

EMPLOYEES DETAILS:

No person employed in a Company at a remuneration of more than Rs. 24.00 Lacs per annum or Rs. 2 Lacs per month. Hence the disclosure under section 217(2A) is not required to be made.

DIRECTORS:

There has been no change in the directors during the year under review. The company being subsidiary of public company, provisions of Section 255 related to Directors retiring by rotation, are applicable to it. Accordingly, Shri Sanjay Dhamsahia, Director is liable to retire by rotation at this AGM and being eligible, offer themselves for reappointment. Members are requested to reappoint them as Directors.

COMPLIANCE CERTIFICATE:-

As per the provisions of Section 383A read with the Companies (Compliance Certificate) Rules, 2001, a copy of Compliance Certificate obtained from CS Ajit Mehta, Practising Company Secretary, is attached herewith.

AUDITORS:

M/s. Gandhi & Gandhi, Chartered Accountants, Hyderabad, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- (a) that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure from accounting standards;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We acknowledge with thanks the contribution made by the employees and bankers in the functioning of the Company during the period under consideration and hope to have it continuously in future too.

Date:- 15th July, 2010
Place:- Rajkot

BY ORDER OF THE BOARD OF DIRECTORS
FOR APEX ADVANCED TECHNOLOGY PRIVATE LIMITED

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



AUDITORS' REPORT

To
The Members,
APEX ADVANCED TECHNOLOGY PRIVATE LIMITED
Hyderabad

1. We have audited the attached Balance Sheet of Apex Advanced Technology Private Limited as at March 31, 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto for the period ended on that date. 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 auditing standards generally accepted in India. Those 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.
3. 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 paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to in para 3, we report that :

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books and the information received from the Company.

- (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in sub-section 3C of section 211 of the Companies Act, 1956.
- (e) On the basis of the written representation received from the Directors, as on the year end and taken on record by the Board of Directors, we report that none of the directors is disqualified as on the year end from being appointed as director's under clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India :
 - (i) in case of the Balance Sheet, of the state of affairs as at March 31st, 2010
 - and
 - (ii) in case of the Profit and Loss account, of the profit for the year ended on that date.

For **Gandhi & Gandhi**
Chartered Accountants

Rama Mohan Giri
Partner

Dated 10th May, 2010

Annexure

referred to in paragraph 3 of our report of
Apex Advanced Technology Private Limited
FY 2008-09

We further report that :

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) No substantial part of the fixed assets have been disposed off during the year that would effect the going concern.
- (ii) The company is neither a trading nor a manufacturing concern, it does not have any inventory. Hence physical verification of stock does not arise and the sub-clauses (a), (b) & (c) are not applicable.
- (iii) The company neither granted loans nor has borrowed any loans, secured or unsecured / from the companies, firms or other parties listed in the register maintained under section 301 of the of the Companies Act, 1956. Hence the sub-clauses (a), (b), (c) & (d) are not applicable
- (iv) On the basis of the checks carried out during the course of the audit and as per the information and explanation given to us there are adequate internal control procedure commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and sale of goods. No major weaknesses in the internal control were noticed.
- (v) (a) According to the explanation and information given to us there were no transaction that needs to be recorded into the register maintained under section 301 of the Companies Act, 1956.
- (b) There were no transactions that were made in pursuance of contract or arrangement recorded in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs. 5 lakhs in respect of any party during the year.
- (vi) The company has not accepted deposits from the public.
- (vii) In our opinion, the Company has adequate internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanation given to us the company is not required to maintain any cost records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company has been regular in depositing the undisputed statutory dues including Income Tax and other statutory dues with the appropriate authorities.

- (b) According to the information and explanation given to us, there were no disputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and cess.
- (x) The accumulated losses as at the year-end are not in excess of 50% of its net worth. The company has not incurred cash loss during the financial year covered by our audit and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. The company has not borrowed any funds by issue of debentures.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) As the company is not a chit fund or a nidhi, mutual benefit fund / society, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) As the company is not engaged in business of dealing in shares, securities, debentures and other investments the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us and the records maintained, the company has not given any guarantee for loans borrowed by others from banks or financial institutions.
- (xvi) The company has not borrowed any terms loan.
- (xvii) The company has not borrowed any funds.
- (xviii) The company has not made any preferential allotment of shares during the year under audit to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures.
- (xx) No public issue of shares was made by the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **Gandhi & Gandhi**
Chartered Accountants

Rama Mohan Giri
Partner

Dated 10th May, 2010

Apex Advanced Technology Pvt. Ltd.

BALANCE SHEET AS ON 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010		31.03.2009		(in Rs.)
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Sources of funds :						
Shareholder's Fund :						
Share Capital	1		6,404,250			6,404,250
Reserves & Surplus	2		<u>31,177,511</u>			<u>30,150,380</u>
			<u>37,581,761</u>			<u>36,554,630</u>
Application of funds :						
Fixed Assets	3					
Gross Block			4,682,338		4,682,338	
Less : Accumulated Depreciation			<u>4,005,677</u>		<u>3,836,433</u>	
Net Block			676,661			845,905
Investments	4		14,871,311			1,527,924
Current Assets, Loans & Advances						
Cash & Bank Balances	5	313,369		487,567		
Loans & Advances	6	20,083,436		31,883,436		
Other Current Assets	7	<u>1,571,772</u>		<u>1,817,454</u>		
			21,968,577		34,188,457	
Less :						
Current Liabilities & Provisions						
Liabilities	8	39,817		162,842		
Provisions	9	<u>7,083</u>		<u>15,947</u>		
			46,900		178,789	
			21,921,677		34,009,668	
Add : Deferred Tax Asset			<u>112,112</u>		<u>171,133</u>	
			22,033,789		34,180,801	
			<u>37,581,761</u>		<u>36,554,630</u>	
Accounting Policies	12					
Notes to Accounts	13					

Schedules referred above forms integral part of accounts.
Subject to our report even date.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

FOR GANDHI & GANDHI
CHARTERED ACCOUNTANTS

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

RAMA MOHAN GIRI
PARTNER
May 10th, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010		31.03.2009		(in Rs.)
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
INCOMES :						
Sales			11,250.00		-	
Others	10		2,026,173.63		2,363,207.81	
			<u>2,037,423.63</u>		<u>2,363,207.81</u>	
EXPENSES :						
Administrative Expenses	11		537,004.24		173,844.68	
Depreciation			169,244.00		228,755.00	
			<u>706,248.24</u>		<u>402,599.68</u>	
Profit before Tax			1,331,175.39		1,960,608.13	
Less : Provision for Income Tax			245,024.00		180,972.00	
Provision for Fringe Benefit Tax			-		4,325.00	
Deferred Tax Liability / (Asset)			59,021.00		(171,133.00)	
			<u>304,045.00</u>		<u>14,164.00</u>	
Profit transferred to Profit & Loss Appropriation Account			<u>1,027,130.39</u>		<u>1,946,444.13</u>	

Schedules referred above forms integral part of accounts.
Subject to our report of even date.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

FOR GANDHI & GANDHI
CHARTERED ACCOUNTANTS

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

RAMA MOHAN GIRI
PARTNER
May 10th, 2010



PROFIT & LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(in Rs.)

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009
Profit & Loss Account Balance b/f		26,107,689.49	35,700,805.36
Add : Profit for the year		1,027,130.39	1,946,444.13
		<u>27,134,819.88</u>	<u>37,647,249.49</u>
Less : Appropriation			
Interim Dividend		-	2,369,573.00
Interim Dividends - Dividend Tax @ 16.995%		-	434,926.00
Transfer to General Reserve		133,118.00	196,061.00
Transfer to Capital Redemption Reserve		-	2,134,750.00
Premium on buy back of shares		-	6,404,250.00
		<u>133,118.00</u>	<u>11,539,560.00</u>
Balance Profit transferred to Balance Sheet		<u>27,001,701.88</u>	<u>26,107,689.49</u>

Schedules referred above forms integral part of accounts.
Subject to our report even date.

FOR GANDHI & GANDHI
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

RAMA MOHAN GIRI
PARTNER
May 10th, 2010

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

SCHEDULE - 1			SCHEDULE - 2		
(in Rs.)			(in Rs.)		
SHARE CAPITAL	31.03.2010	31.03.2009	RESERVES & SURPLUS	31.03.2010	31.03.2009
AUTHORISED CAPITAL :			General Reserve - Balance b/f	1,907,941.00	1,711,880.00
(10,00,000 shares of Rs. 10 each)	10,000,000.00	10,000,000.00	Add : Transfer from Profit & Loss Account	133,118.00	196,061.00
				<u>2,041,059.00</u>	<u>1,907,941.00</u>
ISSUED, SUBSCRIBED & PAID-UP CAPITAL :			Capital Redemption Reserve	2,134,750.00	2,134,750.00
(6,40,425 shares of Rs. 10 each fully paid)	6,404,250.00	6,404,250.00	Profit & Loss Account	27,001,701.88	26,107,689.49
	<u>6,404,250.00</u>	<u>6,404,250.00</u>		<u>31,177,510.88</u>	<u>30,150,380.49</u>

SCHEDULE - 3

FIXED ASSETS and DEPRECIATION STATEMENT as per Companies Act on WRITTEN DOWN VALUE METHOD year ended MARCH 31, 2010 (in Rs.)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	BALANCE	ADDITIONS	SALE	TOTAL	ACCUMU-	FOR THE	SALE	Total	AS ON	AS ON
	AS ON			AS ON	LATED	YEAR	ADJUST.		31.03.2010	31.03.2009
	01-04-2009			31-03-2010	2009-10					
Fire Fighting Equipment	7,493	-	-	7,493	2,680	669	-	3,349	4,144	4,813
ISDN Equipment	18,638	-	-	18,638	15,298	465	-	15,763	2,875	3,340
Office Equipments	2,030,086	-	-	2,030,086	1,640,620	54,175	-	1,694,795	335,291	389,466
Swipe Machine	72,040	-	-	72,040	42,051	4,171	-	46,222	25,818	29,989
System Software	1,596,650	-	-	1,596,650	1,476,015	48,254	-	1,524,269	72,381	120,635
Telephone Equipment	35,400	-	-	35,400	22,635	1,776	-	24,411	10,989	12,765
Telephone Instruments	15,448	-	-	15,448	9,813	784	-	10,597	4,851	5,635
UPS	417,914	-	-	417,914	402,430	6,194	-	408,624	9,290	15,484
Vehicles	488,669	-	-	488,669	224,891	52,756	-	277,647	211,022	263,778
	<u>4,682,338</u>	-	-	<u>4,682,338</u>	<u>3,836,433</u>	<u>169,244</u>	-	<u>4,005,677</u>	<u>676,661</u>	<u>845,905</u>



Apex Advanced Technology Pvt. Ltd.

SCHEDULE - 4			(in Rs.)		SCHEDULE - 9			(in Rs.)	
INVESTMENTS	31.03.2010	31.03.2009			PROVISIONS	31.03.2010	31.03.2009		
Investment in Mutual Funds	14,871,210.60	1,527,824.21			Fringe Benefit Tax	4,325.00	4,325.00		
Investment in Shares	100.00	100.00			TDS Payable	2,758.00	11,622.00		
	<u>14,871,310.60</u>	<u>1,527,924.21</u>				<u>7,083.00</u>	<u>15,947.00</u>		
<hr/>					<hr/>				
SCHEDULE - 5			(in Rs.)		SCHEDULE - 10			(in Rs.)	
CASH & BANK BALANCES	31.03.2010	31.03.2009			OTHER INCOMES	31.03.2010	31.03.2009		
Cash in hand	6,777.00	243,577.00			Dividend Income	236,024.63	203,600.31		
Cash at Bank	306,591.91	243,989.91			Interest	1,790,149.00	2,158,599.00		
	<u>313,368.91</u>	<u>487,566.91</u>			Profit on sale of Mutual Funds units	-	1,008.50		
						<u>2,026,173.63</u>	<u>2,363,207.81</u>		
<hr/>					<hr/>				
SCHEDULE - 6			(in Rs.)		SCHEDULE - 11			(in Rs.)	
LOAN & ADVANCES	31.03.2010	31.03.2009			ADMINISTRATIVE EXPENSES	31.03.2010	31.03.2009		
Loans - Othes	20,083,436.00	31,883,436.00			Advertisement	2,000.00	-		
	<u>20,083,436.00</u>	<u>31,883,436.00</u>			Audit Fees	27,575.00	27,575.00		
<hr/>					<hr/>				
SCHEDULE - 7			(in Rs.)		Bank Charges	389.00	797.88		
OTHER CURRENT ASSETS	31.03.2010	31.03.2009			Donation	100,000.00	-		
Accrued Interest :	1,333,469.00	1,589,632.00			Consultancy Charges	22,000.00	112,000.00		
Deposits	20,487.37	20,487.37			Courier Charges	6,000.00	-		
Income Tax Refund	212,816.00	202,335.00			Insurance - Vehicles	5,484.00	7,884.00		
APEX Employees Group Gratuity Trust	5,000.00	5,000.00			Loss on sale of investments	36,638.24	-		
	<u>1,571,772.37</u>	<u>1,817,454.37</u>			Office Expenses	12,000.00	10,617.00		
<hr/>					<hr/>				
SCHEDULE - 8			(in Rs.)		Printing and Stationary	10,200.00	-		
CURRENT LIABILITIES	31.03.2010	31.03.2009			Rates & Taxes	5,500.00	9,770.80		
Sundry Creditors	24,817.00	120,842.00			Repairs & Maintenance	69,218.00	5,200.00		
Outstanding Expenses	15,000.00	42,000.00			Salaries	240,000.00	-		
	<u>39,817.00</u>	<u>162,842.00</u>				<u>537,004.24</u>	<u>173,844.68</u>		

Cash Flow Statement for the year ended 31.03.2010

Particulars	Amount	Amount	Amount
A) Cash Flow from operating Activities			
Net Profit before Tax and Extra Ordinary Items		1,331,175	
Add : Loss on sale of units of mutual funds		36,638	
Depreciation		169,244	
		<u>1,537,058</u>	
Less : Interest Income	1,790,149		
Dividend Income	236,025		
Taxes Paid	175,000		
		<u>2,201,174</u>	
Changes in Working Capital :		(664,116)	
Decrease / (Increase) in Deposits			
Decrease / (Increase) in Loans & Advances	11,800,000		
Decrease / (Increase) in Other Current Assets	175,658		
Increase / (Decrease) in Sundry Creditors	(123,025)		
Increase / (Decrease) in Provisions	(8,864)		
		<u>11,843,769</u>	
		<u>11,179,653</u>	
Add : Cash flow from Extra Ordinary Items			
Cash Generated From Operating Activities			11,179,653
B) Investing Activities :			
Decrease / (Increase) in Investments		(13,380,025)	
Interest Income		1,790,149	
Dividend Income		236,025	
Cash Generated Used in Investing Activities			(11,353,851)
C) Financing Activities :			
Cash Generated From Financing Activities			
Net Increase in Cash & Bank Balance			(174,198)
Add : Opening Cash & Bank Balance			487,567
Closing Cash & Bank Balance			<u>313,369</u>

SCHEDULE 14 :

Significant Accounting Policies

- 1. Accounting Concepts :**
The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards.
- 2. Incomes & Expenditure :**
The assessee maintains its accounts on accrual basis, except for the following :
 - telephone, water, electricity expenses are accounted as soon as they are ascertainable.
 - dividends are accounted for when received.
- 3. Fixed Assets :**
Tangible Fixed Assets :
Fixed assets are stated at cost less depreciation. The cost of an asset comprises of its purchase price & directly attributable costs of bringing the asset to working condition for its intended use.
Intangible Fixed Assets :
The company does not own any intangible fixed assets.
- 4. Depreciation on Fixed Assets :**
Depreciation on Tangible Fixed Assets :
The Company charges depreciation on Written Down Value Method at rates prescribed in the Schedule XIV of the Companies Act, 1956. Depreciation in addition to assets is provided on pro rata basis.
- 5. Loans & Advances :**
Loans & Advances are stated at their realisable value after providing for the bad debts as considered necessary by the management.
- 6. Investments :**
Current investments are stated at lower of cost or fair-market value. Long term investments are stated at cost after deducting provisions made for permanent diminution in the value, if any.
- 7. Provision for Income Tax – Current and Deferred Tax :**
Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- 8. Impairment of assets :**
The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.
An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use that is determined based on the present value of estimated future cash flow. All impairment loss is recognized in the accounts.
Management has evaluated impairment of assets as required by Accounting Standard – 28 –Impairment of Assets, which was made mandatory for accounting period commencing on or after 1st April 2004. On a basis of evaluation, management is of the opinion that there is no impairment of the Company's assets as at 31st March 2010.
- 9. Effects of changes in Foreign Exchange Rates :**
The reporting currency of the company is Indian Rupee. Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates at the date of the transaction. Exchange difference on settlement are adjusted to Profit and Loss Account.
- 10. Borrowing Cost :**
No borrowing costs have been capitalized during the year.
- 11. Contingencies & Events occurring after Balance Sheet date :**
Contingencies that can be reasonably ascertained are provided for, if in the opinion of the company, there is a probability that the future outcome may be materially detrimental to the company.

SCHEDULE - 15

Notes To Accounts

1. The Company did not have any employee during year, whose particulars are required to be disclosed under section 217 (2A) of the Companies Act, 1956.
2. Auditor's remuneration :
 - i) Statutory Audit - Rs. 7,500
 - ii) Other Reports - Rs. 4,000
 - iii) Consultancy - Rs. 13,500
3. In the opinion of Board of Directors the Current Assets, Loans and Advances are approximately of the value stated if realised in ordinary course of business.
4. Deferred Tax Asset :

	Current Year	Previous Year
Deferred Tax Asset	1,12,112	1,71,133
5. The company did not commence its suspended business operations during the year.
6. Sundry Creditors does not include any dues to Small Scale Undertakings.
7. Directors remuneration :
No remuneration was paid or provided to directors
8. The company has not entered into any international transactions during the year.
9. The company has incurred loss of Rs. 36,638 on sale of investments.
10. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the classification of the year.
11. Schedules 1 to 11 and Significant Accounting policies form integral part of the accounts and have been duly authenticated.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

FOR GANDHI & GANDHI
CHARTERED ACCOUNTANTS

RAMA MOHAN GIRI
PARTNER
May 10th, 2010

COMPLIANCE CERTIFICATE

FOR THE FINANCIAL YEAR 1ST APRIL 2009 TO 31ST MARCH 2010

To ,

The Members,

Apex Advanced Technology Private Limited - Hyderabad

I have examined the registers, records, books and papers of M/s Apex Advanced Technology Private Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year,

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under. No forms were filed with the Regional Director, Central Government for the year under scrutiny.
3. The Company being private limited company has the minimum prescribed paid-up share capital and its maximum number of members during the said financial year was 3 (Three) excluding its present and past employees and during the year under scrutiny, the Company:
 - i. Has not invited public to subscribe for its shares or debentures; and
 - ii. Has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met Five (5) times on 25.06.2009, 17.08.2009, 20.10.2009, 20.11.09 and 11.03.2010. For these meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on July 23, 2009 after giving due notices to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra Ordinary Meeting of members was held on 20.11.2009 during the financial year.
8. The Company being a private Company, Section 295 of the Act is not applicable.
9. The Company has not entered into any contracts specified under Section 297 of the Act.
10. The Company was not required to make any entry in the register to be maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government.
12. The Company did not issue any duplicate share certificate during the financial year.
13. The Company :
 - i. Did not transfer any Equity Shares during the financial year;
 - ii. Declare and paid dividend during the financial year.
 - iii. Posted dividend warrants to the members of the Company;
 - iv. Was not required to transfer any funds to Investor Education and Protection Fund; and
 - v. Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company being a Private Company, provisions of Section 269 of the Act regarding to appointment of Managing Director/Whole Time Director/Manager are not applicable.
16. The Company has not appointed any sole-selling agent during the financial year.

17. The Company plans to apply for approval from Company Law Board for shifting of their Registered Office from the State of Andhra Pradesh to the State of Gujarat.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company did not issue any shares, debentures or securities during the financial year.
20. The Company has not bought back any equity shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of shares.
23. The Company has not invited/accepted any deposits including any unsecured loan falling within the purview of Sections 58A during the financial year.
24. The Company, being a Private Company, the borrowings made during the financial year does not attract the provisions of Section 293 (1) (d) of the Act.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from employees during the financial year.
33. The Company has deposited contributions to Provident Fund for its employees with prescribed authorities pursuant to section 418 of the Act during the financial year.

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY

1. REGISTER OF MEMBERS U/S 150
2. MINUTES BOOK FOR BOARD OF DIRECTORS MEETINGS U/S 193
3. MINUTES BOOK FOR ANNUAL GENERAL MEETINGS U/S 193
4. REGISTER OF DIRECTORS, MANAGING DIRECTOR, MANAGER, ETC.

ANNEXURE B

FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2010

1. Form 23B vide SRN S001246065 dated 16.10.2009 for intimation to ROC by Auditors for FY 2008-09
2. Form 66 vide SRN P39993563 dated 06.11.2009 for Compliance Certificate for FY 2008-09
3. Form 20B vide SRN P42953182 dated 30.11.2009 for Annual Return for FY 2008-09
4. Form 23AC/23ACA vide SRN P42953851 dated 30.11.2009 for Annual Accounts for FY 2008-09

Date : 10th May, 2010

S/d

(Ajit R. Mehta)
Practising Company Secretary
C. P. No. 3702



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No. 2 4 9 8 2

State Code 0 1

Balance Sheet 3 1 0 3 2 0 1 0

DD MM YYYY

II. Capital Raised during the year (Amount in Rs. '000)

Public Issue

Rights Issue

Bonus Issue

Private Placement

NIL

NIL

NIL

NIL

III. Position of Mobilisation and Deployment of Funds (Amt.in Rs.'000)

Total Liabilities

Total Assets

3 7 5 8 2

3 7 5 8 2

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

6 4 0 4

3 1 1 7 8

NIL

NIL

NIL

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

6 7 7

1 4 8 7

2 2 0 3 4

Misc. Expenditure

Accumulated Losses

NIL

NIL

IV. Performance of Company (Amount in Rs. '000)

Total Income

Total Expenditure

2 0 3 7

7 0 6

+ - Net Profit/Loss Before Tax

+ - Net Profit/Loss After Tax

+ 1 3 3 1

+ 1 0 2 7

Earning per share in Rs.

Dividend %

+1 .60

NIL

V. Generic Names of The Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)

N A

Product Description

N A

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI SANJAY H. DHAMSANIA

DIRECTOR

DIRECTOR

Hyderabad, Dated 25th June, 2009

REPORT OF THE DIRECTOR'S

To,
The Members,

Your Directors have pleasure in presenting you the EIGHTEENTH ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31st MARCH, 2010.

FINANCIAL RESULTS	2009-2010	2008-09
Sales & Other Income	11,112	2,00,152
Expenditure	28,117	2,04,286
Profit /(Loss) before Interest & Depreciation, etc.	(17,005)	(4,134)
Less : Depreciation	—	—
Profit before taxation	(17,005)	(4,134)
Less : Provision for taxation:		
Current Tax	—	—
Profit /(Loss) after taxation	(17,005)	(4,134)
BALANCE CARRIED FORWARD TO BALANCE SHEET	(17,005)	(4,134)

OPERATION:

The company has ceased its operations and no activity had been undertaken during the year under review.

DIVIDEND:

The directors do not recommend any dividends.

RESPONSIBILITY STATEMENT:

Your Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2010 and of the Profit of the Company for that year ;

- that the Directors had 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 fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis, but in view of discontinuation of the principle operations, the said assumptions about going concern may not be valid and to that extent the accounts for the year should be read accordingly.

PARTICULARS OF EMPLOYEES:

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

SUBSIDIARY:

Your company is a 100 % subsidiary of Ace Software Exports Limited.

AUDITORS:

M/s. KALARIA & SAMPAT, Chartered Accountants, the auditors of the company are due to retire at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint auditors and fix their remuneration.

FOR & ON BEHALF OF THE BOARD,

VIKRAM B. SANGHANI SANJAY H. DHAMSANIA
DIRECTOR DIRECTOR

RAJKOT, Dated 19th May, 2010

AUDITORS' REPORT

The Members of RAJKOT COMPUTER EDUCATION PRIVATE LIMITED

- We have audited the attached Balance Sheet of RAJKOT COMPUTER EDUCATION PRIVATE LIMITED, as at 31st March, 2010 and the Profit & Loss Account 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 the auditing standards generally accepted in India. Those 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:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- 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.
- The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- 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:
 - in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - in the case of the Profit & Loss Account, of the Loss for the year ended on that date.
 - In the case of Cash Flow Statement, of the Cash Flows of the Company for the year then ended.

For Kalaria & Sampat,
Chartered Accountants

Atul M.Kalaria
Partner

Rajkot, Dated 19th May, 2010



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

- To,
RAJKOT COMPUTER EDUCATION PRIVATE 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) The Company has disposed off substantial part of fixed assets. Moreover, in view of discontinuation of the principle operations the said assumption about going concern may not be valid and to that extent the accounts for the year should be read accordingly.
 - (ii) The Company's nature of operation does not require it to hold inventories. Accordingly, the provisions of Clause (ii) of the Order are not applicable to the Company.
 - (iii) The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties 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 procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
 - (v) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956
 - (vi) The Company has not accepted deposits from the public.
 - (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
 - (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
 - (ix) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, income-tax, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provisions of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 - (x) The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit as well as in the immediately preceding year.
 - (xi) The Company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (xiv) In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name except as permissible under Section 49 of the Companies Act, 1956.
 - (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 - (xvi) The Company has not obtained any term loans. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
 - (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet, the Company has not used funds raised on short-term basis for long-term investments.
 - (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, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (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)

Brijen N. Sampat

Rajkot, Dated 19th M

Rajkot Computer Education Pvt. Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	(in Rs.)	
		31.03.2010	31.03.2009
I. SOURCES OF FUNDS			
a) Shareholder's Fund :			
1) Share Capital	1	100,000	100,000
2) Reserves & Surplus	2	298,402	315,396
b) Deferred Tax Liability		39,489	39,489
		<u>437,891</u>	<u>454,885</u>
II. APPLICATION OF FUNDS			
c) Fixed Assets :			
Gross Block		-	-
Less : Depreciation		-	-
Net Block		-	-
d) Investments			
HDFC Cash Management Fund-Treasury Advantage Plan		295,841	304,728
e) Current Assets; Loans & Advances :	3		
1) Cash & Bank Balances		147,565	155,672
2) Loans and Advances		-	-
		<u>147,565</u>	<u>155,672</u>
Less : Current Liabilities & Provisions :	4		
1) Current Liabilities		-	-
2) Provisions		5,515	5,515
		<u>5,515</u>	<u>5,515</u>
Net Current Assets		142,050	150,157
		<u>437,891</u>	<u>454,885</u>

NOTES TO ACCOUNTS

6

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	(in Rs.)	
		31.03.2010	31.03.2009
I. INCOME :			
<i>Other Income</i>			
Composite Lease Income		-	159,600
Dividend Income		11,112	40,552
		<u>11,112</u>	<u>200,152</u>
II. EXPENDITURE :			
General Administrative & Selling Expenses	5	28,117	204,286
Profit/(Loss) before Tax		(17,005)	(4,134)
Less : Provision for Tax :			
Current Tax		-	-
Profit/(Loss) after Tax		(17,005)	(4,134)
Add. : Excess Provision of Tax Written Back		-	-
BALANCE CARRIED FORWARD TO BALANCE SHEET		<u>(17,005)</u>	<u>(4,134)</u>

NOTES TO ACCOUNTS

6

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



Rajkot Computer Education Pvt. Ltd.

SCHEDULE - 1			SCHEDULE - 4		
(in Rs.)			(in Rs.)		
SHARE CAPITAL	31.03.2010	31.03.2009	CURRENT LIABILITIES & PROVISIONS	31.03.2010	31.03.2009
AUTHORISED SHARE CAPITAL :			PROVISIONS :		
1,000 Equity Shares of Rs.100/- each	100,000	100,000	Audit Fees	5,515	5,515
				<u>5,515</u>	<u>5,515</u>
ISSUED, SUBSCRIBED & PAID-UP :					
1,000 Equity Shares of Rs.100/- each fully paid up	100,000	100,000			
	<u>100,000</u>	<u>100,000</u>			
SCHEDULE - 2			SCHEDULE - 5		
(in Rs.)			(in Rs.)		
RESERVES & SURPLUS	31.03.2010	31.03.2009	ADMINISTRATIVE EXPENSES	31.03.2010	31.03.2009
PROFIT & LOSS ACCOUNT :			ROC Filing Fees	400	1,200
Balance as per last year	315,396	319,530	Profession Tax	-	2,000
Less : Profit/(Loss) during the year	(16,995)	(4,134)	Bank Commission	554	278
	<u>298,402</u>	<u>315,396</u>	RMC Taxes	-	8,517
	<u>298,402</u>	<u>315,396</u>	Audit Fees	5,515	5,515
			Insurance Charges	-	1,442
			Income Tax Expenses (FY 2008-09)	17,190	-
SCHEDULE - 3			SCHEDULE - 6		
(in Rs.)			(in Rs.)		
CURRENT ASSETS, LOANS & ADVANCES	31.03.2010	31.03.2009	Office Expenses	200	-
CURRENT ASSETS :			Professional Charges	4,258	7,809
Cash & Bank Balances :			Loss on Sale of Assets	-	177,525
Cash On Hand	136,467	136,667		<u>28,117</u>	<u>204,286</u>
Balances with Scheduled Bank:					
Bank of Baroda	11,088	19,005			
	<u>147,555</u>	<u>155,672</u>			
	<u>147,555</u>	<u>145,164</u>			

SCHEDULE - 6
NOTES TO ACCOUNTS

I. ACCOUNTING POLICIES:

1) ACCOUNTING CONVENTION:

Though the accounts of the company are prepared on going concern assumption, in view of discontinuation of the principle operations, the said assumptions about going concern is wrongly adopted and to that extent the accounts for the year should be read accordingly.

2) EXPENDITURE:

Expenditure is accounted on accrual basis and provision is made for all known losses and liabilities. The company has discontinued its educational operations since there is no business activity carried on by the company. The entire expenses in respect of the ordinary expenses are attributable to the discontinuing operation and are reflected in the Profit & Loss Statement.

3) REVENUE RECOGNITION:

Dividend income is accounted on receipt basis.

4) INVESTMENTS:

Investments are classified into long term and current investments. Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition. 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.

II. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for

NIL

III. Earnings and outgo of foreign exchange.

NIL

IV. Details of capacity.

N.A.

V. Contingent liabilities not provided for

NIL

VI. Payment to Auditors:

Particulars	2009-10	2008-09
a) Statutory & Tax Audit	5,000	5,000
b) Service Tax	515	515

VII. Earning Per Share: (Basic Earning Per Share)

Particulars	2009-2010	2008-09
Net Profit After Tax	(17,005)	(14,239)
Paid-up Share Capital	1,00,000	1,00,000
Earning Per Share (EPS) (Rs.)	(17.01)	(14.24)

VIII. Previous years figures have been regrouped /rearranged wherever necessary to make them comparable.

IX. Schedule 01 to 06 from an integral part to the Financial Statements and have been authenticated.

SIGNATURE TO SCHEDULE 01 TO 06

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
(Firm's registration No. 104570W)

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 1 3 6 6 2

State Code 0 4

Balance Sheet 3 1 0 3 2 0 1 0
DD MM YYYY

II. Capital Raised during the year (Amount in Rs. '000)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amt.in Rs.'000)

Total Liabilities

4 3 8

Total Assets

4 3 8

Sources of Funds

Paid-up Capital

1 0 0

Reserves & Surplus

2 9 8

Secured Loans

N I L

Unsecured Loans

N I L

Deferred Tax Liability

4 0

Application of Funds

Net Fixed Assets

N I L

Investments

2 9 6

Net Current Assets

1 4 2

Misc. Expenditure

N I L

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs. '000)

Total Income

1 1

Total Expenditure

2 8

+ - Profit/Loss Before Tax

- (1 7)

+ - Profit/Loss After Tax

- (1 7)

Earning per share in Rs.

N I L

Dividend %

N I L

V. Generic Names of The Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)

N.A.

Product Description

N.A.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI

SANJAY H. DHAMSANIA

DIRECTOR

DIRECTOR

RAJKOT, 19th May, 2010



Aspire Exim Private Limited

DIRECTORS' REPORT

To,
All the Members

Aspire Exim Private Limited

Your Directors have pleasure in presenting the second Annual Report together with audited accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

SR. NO. PARTICULAR	Amt in Rs.
	2009-10
1. Total Turnover / Sales / Gross Receipt	Nil
2. Other Income	10,84,080
3. Profit Before Interest, Deprecation and Tax (PBIDT)	10,72,755
4. Interest and Financial Charges	Nil
5. Depreciation	Nil
6. Provision of Taxation	1,71,690
7. Profit After Interest, Deprecation and Tax (PAT)	9,01,065
Add/ Less:- Adjustment of PY Income Tax	Nil
NETPAT	9,01,065
8. Surplus brought forward from Previous Year	Nil
9. Profit Available for Appropriation	9,01,065
10. Appropriation	
Provisions for Dividend	Nil
Provisions for Tax on Dividend	Nil
Transfer to General Reserve	Nil
11. Surplus Carried forward to Balance Sheet	9,01,065

OPERATION

Your Company has achieved total income of Rs. 10,84,080/-during the year under report, and the net profit of the Company has also been increased to 9,01,065/- during the year under report.

DIVIDEND:

With a view to plough back profits of the year, the Board of Directors of your Company do not recommend any dividend for the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company being a exporting company, particulars relating to Consumption of energy are not required to be given. However, the Company has taken sufficient steps for conservation of energy. Further, As the nature of the business of the Company is of export and also the Company has not carried out any commercial activity during the year, Company does not require any extensive and significant research and development activities. Further, no specific or extensive steps required for the absorption, adaptation and innovation of the technology. There has been no earnings or outgo in foreign exchange during the year under Report.

EMPLOYEES DETAILS:

No person employed in a Company at a remuneration of more than Rs. 24 Lacs per annum or Rs. 2 Lacs per month. Hence the disclosure under section 217(2A) is not required to be made.

DIRECTORS:

During the year under report, Mrs. Trupti Lele, resigned as Director, w.e.f. 01st February, 2010. The Board took note of her valuable contribution during her tenure as Director. Further, Shri Pratikumar Dadhania, was appointed as Director w.e.f. 1st February, 2010, at the Extra Ordinary General Meeting of the Company held on that date. Mr. Dadhania, as per provisions of Clause 49 of the Corporate Governance of the Listing Agreement, is an Independent Director in Ace Software Exports Ltd., the holding Company of the Company. The company being subsidiary of public company, provisions of Section 255 related to Directors retiring by rotation, are applicable to it. Accordingly, Shri Vikram Sanghani & Shri Sanjay Dhamsania, are Directors, liable to retire by rotation at this AGM and being eligible, offer themselves for reappointment. Members are requested to reappoint them as Directors.

AUDITORS:

M/s. Kalaria & Sampat, Chartered Accountants, Rajkot, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure from accounting standards;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We acknowledge with thanks the contribution made by the employees and bankers in the functioning of the Company during the period under consideration and hope to have it continuously in future too.

Date:- 19th May, 2010

Place:- Rajkot

BY ORDER OF THE BOARD OF DIRECTORS
FOR ASPIRE EXIM PRIVATE LIMITED

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



Aspire Exim Private Limited
AUDITORS' REPORT

The Members of ASPIRE EXIM PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **ASPIRE EXIM PRIVATE LIMITED**, as at 31st March, 2010. 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 the auditing standards generally accepted in India. Those 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.
3. 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.
4. 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 purposes 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 dealt with by this report is in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet dealt with by this report comply with 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, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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, 2010;
 - (b) in the case of the Profit & Loss Account, of the Profit for the year ended on that date.

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

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010

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

To,
ASPIRE EXIM PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed asset.
- (b) During the year, the company has not carried out physical verification of the fixed assets as it consisted of industrial land which has also been sold during the year under review.
- (c) During the year, the Company disposed off the industrial land which was not in use. Besides the company has till date not commenced any commercial operations. In view of the same, the ability of the company to continue as a going concern is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
The Company had taken unsecured interest free loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956 on such terms and conditions which were not prejudicial to the interest of the company. The same have been repaid during the year under review. The maximum amount due at any time during the year was Rs. 20.76 lacs.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (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 deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employees state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) The company has not availed any term loan during the year and accordingly, the provisions clause (xvi) of the Company (Auditor's Report) Order 2003 is not applicable.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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)

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010



Aspire Exim Private Limited
BALANCE SHEET AS AT 31ST MARCH,2010

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009
(in Rs.)			
I. SOURCES OF FUNDS			
1) Shareholder's Fund :			
a) Share Capital	1	100,000	100,000
b) Reservers & Surplus		901,065	-
2) Loan Fund :			
a) Secured Loans	2	-	610,448
b) Unsecured Loans	3	-	2,030,387
		<u>1,001,065</u>	<u>2,740,835</u>
II. APPLICATION OF FUNDS			
3) Fixed Assets :			
Gross Block (Land at GIDC, Metoda)		-	2,704,149
Less : Depreciation		-	-
Net Block		-	2,704,149
4) Incidental Expenditure Pending Capitalisation	4	4,209	4,209
		<u>4,209</u>	<u>4,209</u>
5) Investments	5	1,070,564	-
6) Current Assets, Loans & Advances:			
1) Cash & Bank Balance		20,312	29,690
2) Loans and Advances	6	77,641	-
		<u>97,953</u>	<u>29,690</u>
Less : Current Liabilities & Provisions :	7	177,757	3,309
Net Current Assets		(79,804)	26,381
7) Miscellaneous Expenditure	8	6,096	6,096
[To the extent not written off or adjusted]			
		<u>1,001,065</u>	<u>2,740,835</u>
	9		

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

PARTICULARS	SCHEDULE	31.03.2010
(in Rs.)		
I. INCOME		
Other Income :		
Dividend Income		20,564
Profit on Sale of Land		1,063,516
		<u>1,084,080</u>
II. EXPENDITURE:		
Administrative Expenses:		
Audit Fees		3,309
Legal Fees		7,016
Office Expenses		200
Filing Fees		800
		<u>11,325</u>
Profit before Tax		1,072,755
Less : Provision for tax:		
Current Tax		171,690
Profit after Tax		901,065
Add. : Profit & Loss Account B/fd. from last year		-
Balance carried forward to Balance Sheet		<u>901,065</u>

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



Aspire Exim Private Limited

SCHEDULE - 9 NOTES TO ACCOUNTS

SCHEDULE - 1 (in Rs.)

	31.03.2010	31.03.2009
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :		
10,000 Equity Shares of Rs.10/- each	100,000	100,000
ISSUED, SUBSCRIBED & PAID-UP :		
10,000 Equity Shares of Rs.10/- each fully paid up	100,000	100,000

SCHEDULE - 2 (in Rs.)

	31.03.2010	31.03.2009
SECURED LOANS		
GIDC - Loan	-	610,448
	-	610,448

SCHEDULE - 3 (in Rs.)

	31.03.2010	31.03.2009
UNSECURED LOANS		
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) (Interest Free)	-	2,030,387
	-	2,030,387

SCHEDULE - 4 (in Rs.)

	31.03.2010	31.03.2009
INCIDENTAL EXPENDITURE		
PENDING CAPITALISATION		
Audit Fees	3,309	3,309
Office Expenses	400	400
Printing & Stationary Expenses	500	500
	4,209	4,209

SCHEDULE - 5 (in Rs.)

	No. of Units	31.03.2010	31.03.2009
INVESTMENTS			
Other Investmentn			
In Units			
Quoted, fully paid up			
HDFC Cash Management Fund (Treasury Advantage Plan) [1,21,727 Units Purchased, 14,963 units sold during the year]	106,764	1,070,564	-
		1,070,564	-

SCHEDULE - 6 (in Rs.)

	31.03.2010	31.03.2009
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS :		
Cash & Bank Balances :		
HDFC Bank	17,712	26,890
Cash on Hand	2,600	2,800
	20,312	29,690
Loans and Advances:		
Income Tax Advance	77,641	-
	77,641	-

SCHEDULE - 7 (in Rs.)

	31.03.2010	31.03.2009
CURRENT LIABILITIES & PROVISIONS		
PROVISIONS :		
Current Tax	171,690	-
Audit Fees	3,309	3,309
Legal Fees	2,758	-
	177,757	3,309

SCHEDULE - 8 (in Rs.)

	31.03.2010	31.03.2009
MISCELLANEOUS EXPENDITURE		
[To the extent not written off or adjusted]		
Company Incorporation Expenses	6,096	6,096
Less : Written Off	-	-
	6,096	6,096

I. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

- 1) **REVENUE RECOGNITION:**
Dividend income is accounted on receipt basis.
- 2) **WRITING OFF MISCELLANEOUS EXPENDITURE:**
Company formation expenses are not written off in the current year, as the Company has not started commercial operations.
- 3) **EXPENDITURE:**
Expenditure is accounted on accrual basis and provisions are made for all known liabilities and losses.
- 4) **INVESTMENTS:**
Investments are classified into long term and current investments. Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition. 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.
- 5) **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. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

III. Earnings and outgo of foreign exchange. NIL

IV. Contingent liabilities not provided for NIL

V. Payment to Auditors:

Particulars	2009-10	2008-09
a) Statutory & Tax Audit	3,000	3,000
c) Service Tax	309	309

VI. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

VII. Schedule 01 to 09 from an integral part to the Financial Statements and have been authenticated.

SIGNATURE TO SCHEDULE 01 TO 09

Balance Sheet abstract and Company's general business profile

- a) Registration Details
Registration No. **U52100GJ2008PTC055208**
Balance Sheet Date **31st March, 2010**
- b) Capital raised during the year (Amount in '000)
Public Issue Nil
Rights Issue Nil
Bonus Nil
Private placements Nil
- c) Position of mobilization and deployment of funds (Amount in '000)
Total Assets **Rs. 1,001**
Total Liabilities **Rs. 1,001**
- d) Sources of Funds (Amount in '000)
Paid up Capital **Rs. 100**
Reserves and Surplus **Rs. 901**
Secured Loans Nil
Unsecured Loans Nil
Deferred Tax Liability Nil
- e) Application of Funds (Amount in '000)
Net Fixed Assets Nil
Investments **Rs. 1,071**
Net Current Assets **Rs. (76)**
Misc. Expenditure **Rs. (6)**
Accumulated Losses Nil
- f) Performance of the Company (Amount in '000)
Total Income **Rs. 1,084**
Total Expenditure **Rs. 11**
Net Profit before Tax **Rs. 1,073**
Net Profit after Tax **Rs. 901**
Earning per share (in Rs.) **Rs. 90.11**
Dividend (%) Nil

I. Generic Names of The principal products/services of Company (as per monetary terms):

Item Code No. (ITC Code) : **852490-02**
Product Description : **CREATION OF DATABASE**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

Citizen Solutions Private Limited

DIRECTORS' REPORT

To,
All the Members

Citizen Solutions Private Limited

Your Directors have pleasure in presenting the second Annual Report together with audited accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

(Amt in Rs.)

SR. NO.	PARTICULAR	2009-10
1.	Total Turnover / Sales / Gross Receipt	Nil
2.	Other Income	9,48,458
3.	Profit Before Interest, Deprecation and Tax (PBIDT)	9,37,083
4.	Interest and Financial Charges	Nil
5.	Depreciation	Nil
6.	Provision of Taxation	1,50,717
7.	Profit After Interest, Deprecation and Tax (PAT)	7,86,366
	Add/ Less:- Adjustment of PY Income Tax	Nil
	NETPAT	7,86,366
8.	Surplus brought forward from Previous Year	Nil
9	Profit Available for Appropriation	7,86,366
10	Appropriation	
	Provisions for Dividend	Nil
	Provisions for Tax on Dividend	Nil
	Transfer to General Reserve	Nil
11	Surplus Carried forward to Balance Sheet	7,86,366

OPERATION:

Your Company has achieved total income of Rs. 9,48,458/- during the year under report, and the net profit of the Company has also been increased to 7,86,366/- during the year under report.

DIVIDEND:

With a view to plough back profits of the year, the Board of Directors of your Company do not recommend any dividend for the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company being a services provider company, particulars relating to Consumption of energy are not required to be given. However, the Company has taken sufficient steps for conservation of energy. Further, As the nature of the business of the Company is of services provider, operations of the Company do not require any extensive and significant research and development activities. Further, the Company is not carrying out any commercial activity, and hence, no specific or extensive steps required for the absorption, adaptation and innovation of the technology. There has been no earnings or outgo in foreign exchange during the year under Report.

EMPLOYEES DETAILS:

No person employed in a Company at a remuneration of more than Rs. 24 Lacs per annum or Rs. 2 Lacs per month. Hence the disclosure under section 217(2A) is not required to be made.

DIRECTORS:

During the year under report, Mrs. Trupti Lele, resigned as Director, w.e.f. 01st February, 2010. The Board took note of her valuable contribution during her tenure as Director. Further, Shri Pratikkumar Dadhania, was appointed as Director w.e.f. 1st February, 2010, at the Extra Ordinary General Meeting of the Company held on that date. Mr. Dadhania, as per provisions of Clause 49 of the Corporate Governance of the Listing Agreement, is an Independent Director in Ace Software Exports Ltd., the holding Company of the Company. The company being subsidiary of public company, provisions of Section 255 related to Directors retiring by rotation, are applicable to it. Accordingly, Shri Vikram Sanghani & Shri Sanjay Dhamsahia, are Directors, liable to retire by rotation at this AGM and being eligible, offer themselves for reappointment. Members are requested to reappoint them as Directors.

AUDITORS:

M/s. Kalaria & Sampat, Chartered Accountants, Rajkot, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure from accounting standards;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We acknowledge with thanks the contribution made by the employees and bankers in the functioning of the Company during the period under consideration and hope to have it continuously in future too.

Date:- 19th May, 2010
Place:- Rajkot

BY ORDER OF THE BOARD OF DIRECTORS
FOR CITIZEN SOLUTIONS PRIVATE LIMITED

VIKRAM B. SANGHANI
DIRECTOR

SAÑJAY H. DHAMSAHIA
DIRECTOR



Citizen Solutions Private Limited

AUDITORS' REPORT

The Members of CITIZEN SOLUTIONS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of CITIZEN SOLUTIONS PRIVATE LIMITED, as at 31st March, 2010. 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 the auditing standards generally accepted in India. Those 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.
3. 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.
4. 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 purposes 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 dealt with by this report is in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet dealt with by this report comply with 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, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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, 2010;
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

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

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010

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

To,
CITIZEN SOLUTIONS PRIVATE 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) During the year, the company has not carried out physical verification of the fixed assets as it consisted of industrial land which has also been sold during the year under review.
- (c) During the year, the Company disposed off the industrial land which was not in use. Besides the company has till date not commenced any commercial operations. In view of the same, the ability of the company to continue as a going concern is not affected
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The Company had taken unsecured interest free loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956 on such terms and conditions which were not prejudicial to the interest of the company. The same have been repaid during the year under review. The maximum amount due at any time during the year was Rs. 27.54 lacs.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (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 deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
(b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) The company has not availed any term loan during the year and accordingly, the provisions clause (xvi) of the Company (Auditor's Report) Order 2003 are not applicable.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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)

Brijen N. Sampat
Partner

Rajkot, Dated 19th May, 2010



Citizen Solutions Private Limited
BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	(in Rs.)	
		31.03.2010	31.03.2009
I. SOURCES OF FUNDS			
1) Shareholder's Fund :			
a) Share Capital	1	100,000	100,000
b) Reservers & Surplus		786,366	-
2) Loan Fund :			
a) Secured Loans	2	-	589,717
b) Unsecured Loans	3	-	2,050,482
		<u>886,366</u>	<u>2,740,199</u>
II. APPLICATION OF FUNDS			
3) Fixed Assets :			
Gross Block (Land at GIDC, Metoda)		-	2,703,443
Less : Depreciation		-	-
Net Block		-	2,703,443
4) Incidental Expenditure Pending Capitalisation	4	4,209	4,209
5) Investments	5	949,077	-
6) Current Assets, Loans & Advances:	6		
1) Cash & Bank Balance		19,328	29,760
2) Loans and Advances		64,440	-
		83,768	29,760
Less : Current Liabilities & Provisions :	7	156,784	3,309
Net Current Assets		(73,016)	26,451
7) Miscellaneous Expenditure	8	6,096	6,096
[To the extent not written off or adjusted]			
	9	<u>886,366</u>	<u>2,740,199</u>

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
 PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
 DIRECTOR

SANJAY H. DHAMSANIA
 DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	(in Rs.)
		31.03.2010
I. INCOME		
Other Income :		
Dividend Income		14,077
Profit on Sale of Land		934,381
		<u>948,458</u>
II. EXPENDITURE:		
Administrative Expenses:		
Audit Fees		3,309
Legal Fees		7,016
Office Expenses		250
Filing Fees		800
		11,375
Profit before Tax		937,083
Less : Provision for tax:		
Current Tax		150,717
Profit after Tax		786,366
Add. : Profit & Loss Account B/fd. from last year		-
Balance carried forward to Balance Sheet		<u>786,366</u>

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
 PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
 DIRECTOR

SANJAY H. DHAMSANIA
 DIRECTOR



Citizen Solutions Private Limited

SCHEDULE - 9 NOTES TO ACCOUNTS

SCHEDULE - 1 (in Rs.)

	31.03.2010	31.03.2009
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :		
10,000 Equity Shares of Rs.10/- each	100,000	100,000
ISSUED, SUBSCRIBED & PAID-UP :		
10,000 Equity Shares of Rs.10/- each fully paid up	100,000	100,000

SCHEDULE - 2 (in Rs.)

	31.03.2010	31.03.2009
SECURED LOANS		
GIDC - Loan	-	589,717
	-	589,717

SCHEDULE - 3 (in Rs.)

	31.03.2010	31.03.2009
UNSECURED LOANS		
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) (Interest Free)	-	2,050,482
	-	2,050,482

SCHEDULE - 4 (in Rs.)

	31.03.2010	31.03.2009
INCIDENTAL EXPENDITURE		
PENDING CAPITALISATION		
Audit Fees	3,309	3,309
Office Expenses	400	400
Printing & Stationary Expenses	500	500
	4,209	4,209

SCHEDULE - 5 (in Rs.)

	No. of Units	31.03.2010	31.03.2009
INVESTMENTS			
Other Investmetn In Units			
Quoted, fully paid up			
HDFC Cash Management Fund (Treasury Advantage Plan) [1,08,669 Units Purchased, 13,966 units sold during the year]	94,703	949,077	-
		949,077	-

SCHEDULE - 6 (in Rs.)

	31.03.2010	31.03.2009
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS :		
Cash & Bank Balances :		
HDFC Bank	16,778	26,960
Cash on Hand	2,550	2,800
	19,328	29,760
Loans and Advances:		
Income Tax Advance	64,440	-
	64,440	-

SCHEDULE - 7 (in Rs.)

	31.03.2010	31.03.2009
CURRENT LIABILITIES & PROVISIONS		
PROVISIONS :		
Current Tax	150,717	-
Audit Fees	3,309	3,309
Legal Fees	2,758	-
	156,784	3,309

SCHEDULE - 8 (in Rs.)

	31.03.2010	31.03.2009
MISCELLANEOUS EXPENDITURE		
[To the extent not written off or adjusted]		
Company Incorporation Expenses	6,096	6,096
Less : Written Off	-	-
	6,096	6,096

I. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

1) REVENUE RECOGNITION:

Dividend income is accounted on receipt basis.

2) WRITING OFF MISCELLANEOUS EXPENDITURE:

Company formation expenses are not written off in the current year, as the Company has not started commercial operations.

3) EXPENDITURE:

Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses.

4) INVESTMENTS:

Investments are classified into long term and current investments. Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition.

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.

5) 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. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for

III. Earnings and outgo of foreign exchange. NIL

IV. Contingent liabilities not provided for NIL

V. Payment To Auditors:

Particulars	2009-10	2008-09
a) Statutory & Tax Audit	3,000	3,000
c) Service Tax	309	309

VI. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

VII. Schedule 01 to 09 form an integral part to the Financial Statements and have been authenticated.

SIGNATURE TO SCHEDULE 01 TO 09

Balance Sheet abstract and Company's general business profile

a) Registration Details		
Registration No.	U93000GJ2008PTC055149	
Balance Sheet Date	31 st March, 2010	
b) Capital raised during the year		(Amount in '000)
Public Issue		Nil
Rights Issue		Nil
Bonus		Nil
Private placements		Nil
c) Position of mobilization and deployment of funds		(Amount in '000)
Total Assets		Rs. 886
Total Liabilities		Rs. 886
Sources of Funds		(Amount in '000)
Paid up Capital		Rs. 100
Reserves and Surplus		Rs. 786
Secured Loans		Nil
Unsecured Loans		Nil
Deferred Tax Liability		Nil
Application of Funds		(Amount in '000)
Net Fixed Assets		Nil
Investments		Rs. 949
Net Current Assets		Rs. (69)
Misc. Expenditure		Rs. 6
Accumulated Losses		Nil
d) Performance of the Company		(Amount in '000)
Total Income		Rs. 948
Total Expenditure		Rs. 11
Net Profit before Tax		Rs. 937
Net Profit after Tax		Rs. 786
Earning per share (in Rs.)		Rs. 78.64
Dividend (%)		Nil

I. Generic Names of The principal products/services of Company (as per monetary terms):

Item Code No. (ITC Code) : 852490-02
Product Description : CREATION OF DATABASE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



Cosmos Services Private Limited

DIRECTORS' REPORT

To,
All the Members

Cosmos Services Private Limited

Your Directors have pleasure in presenting the second Annual Report together with audited accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

Sr. No.	Particular	(Amt in Rs.)
		2009-10
1.	Total Turnover / Sales / Gross Receipt	Nil
2.	Other Income	777,616
3.	Profit Before Interest, Deprecation and Tax (PBIDT)	7,66,241
4.	Interest and Financial Charges	Nil
5.	Depreciation	Nil
6.	Provision of Taxation	122,102
7.	Profit After Interest, Deprecation and Tax (PAT)	6,44,139
	Add/ Less:- Adjustment of PY Income Tax	Nil
	NET PAT	6,44,139
8.	Surplus brought forward from Previous Year	Nil
9.	Profit Available for Appropriation	6,44,139
10.	Appropriation	
	Provisions for Dividend	Nil
	Provisions for Tax on Dividend	Nil
	Transfer to General Reserve	Nil
11.	Surplus Carried forward to Balance Sheet	6,44,139

OPERATION:

Your Company has achieved total income of Rs. 7,77,616/- during the year under report, and the net profit of the Company has also been increased to 6,44,139/- during the year under report.

DIVIDEND:

With a view to plough back profits of the year, the Board of Directors of your Company do not recommend any dividend for the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company being a services provider company, particulars relating to Consumption of energy are not required to be given. However, the Company has taken sufficient steps for conservation of energy. Further, As the nature of the business of the Company is of services provider, operations of the Company do not require any extensive and significant research and development activities. Further, the Company is not carrying out any commercial activity, and hence, no specific or extensive steps required for the absorption, adaptation and innovation of the technology. There has been no earnings or outgo in foreign exchange during the year under Report.

EMPLOYEES DETAILS:

No person employed in a Company at a remuneration of more than Rs. 24 Lacs per annum or Rs. 2 Lacs per month. Hence the disclosure under section 217(2A) is not required to be made.

DIRECTORS:

During the year under report, Mrs. Trupti Lele, resigned as Director, w.e.f. 01st February, 2010. The Board took note of her valuable contribution during her tenure as Director. Further, Shri Pratikumar Dadhania, was appointed as Director w.e.f. 1st February, 2010, at the Extra Ordinary General Meeting of the Company held on that date. Mr. Dadhania, as per provisions of Clause 49 of the Corporate Governance of the Listing Agreement, is an Independent Director in Ace Software Exports Ltd., the holding Company of the Company. The company being subsidiary of public company, provisions of Section 255 related to Directors retiring by rotation, are applicable to it. Accordingly, Shri Vikram Sanghani & Shri Sanjay Dhamsahia, are Directors, liable to retire by rotation at this AGM and being eligible, offer themselves for reappointment. Members are requested to reappoint them as Directors.

AUDITORS:

M/s. Kalaria & Sampat, Chartered Accountants, Rajkot, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure from accounting standards;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We acknowledge with thanks the contribution made by the employees and bankers in the functioning of the Company during the period under consideration and hope to have it continuously in future too.

Date:- 19th May, 2010

Place:- Rajkot

BY ORDER OF THE BOARD OF DIRECTORS
FOR CITIZEN SOLUTIONS PRIVATE LIMITED

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSAHIA
DIRECTOR



Cosmos Services Private Limited

AUDITORS' REPORT

The Members of COSMOS SERVICES PRIVATE LIMITED

1. We have audited the attached Balance Sheet of COSMOS SERVICES PRIVATE LIMITED, as at 31st March, 2010. 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 the auditing standards generally accepted in India. Those 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.
3. 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.
4. 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 purposes 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 dealt with by this report is in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet dealt with by this report comply with 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, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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, 2010;
 - (b) in the case of the Profit & Loss Account of the profit for the year ended on that date.

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

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010

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

To, COSMOS SERVICES PRIVATE 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) During the year, the company has not carried out physical verification of the fixed assets as it consisted of industrial land which has also been sold during the year under review.
- (c) During the year, the Company disposed off the industrial land which was not in use. Besides the company has till date not commenced any commercial operations. In view of the same, the ability of the company to continue as a going concern is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
The Company had taken unsecured interest free loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956 on such terms and conditions which were not prejudicial to the interest of the company. The same have been repaid during the year under review. The maximum amount due at any time during the year was Rs. 20.61 lacs.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (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 deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) The company has not availed any term loan during the year and accordingly, the provisions clause (xvi) of the Company (Auditor's Report) Order 2003 are not applicable.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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)

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010



Cosmos Services Private Limited
BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009 (in Rs.)
I. SOURCES OF FUNDS			
1) Shareholder's Fund :			
a) Share Capital	1	100,000	100,000
b) Reservers & Surplus		644,139	-
2) Loan Fund :			
a) Secured Loans	2	-	449,596
b) Unsecured Loans	3	-	1,547,017
		<u>744,139</u>	<u>2,096,613</u>
II. APPLICATION OF FUNDS			
3) Fixed Assets :			
Gross Block (Land at GIDC, Metoda)		-	2,059,777
Less : Depreciation		-	-
Net Block		-	2,059,777
4) Incidental Expenditure Pending Capitalisation	4	4,209	4,209
		<u>4,209</u>	<u>2,063,986</u>
5) Investments	5	782,253	-
6) Current Assets, Loans & Advances:	6		
1) Cash & Bank Balance		20,859	29,840
2) Loans and Advances		58,891	-
		<u>79,750</u>	<u>29,840</u>
Less : Current Liabilities & Provisions :	7	128,169	3,309
Net Current Assets		(48,419)	26,531
7) Miscellaneous Expenditure [To the extent not written off or adjusted]	8	6,096	6,096
		<u>744,139</u>	<u>2,096,613</u>
NOTES TO ACCOUNTS	9		

NOTES TO ACCOUNTS
AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010 (in Rs.)
I. INCOME		
Other Income :		
Dividend Income		17,253
Profit on Sale of Land		760,363
		<u>777,616</u>
II. EXPENDITURE:		
Administrative Expenses:		
Audit Fees		3,309
Legal Fees		7,016
Office Expenses		250
Filing Fees		800
		<u>11,375</u>
Profit before Tax		766,241
Less : Provision for tax: Current Tax		122,102
Profit after Tax		644,139
Add. : Profit & Loss Account B/fd. from last year		-
Balance carried forward to Balance Sheet		<u>644,139</u>
NOTES TO ACCOUNTS	9	

NOTES TO ACCOUNTS
AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

Cosmos Services Private Limited

SCHEDULE - 9. NOTES TO ACCOUNTS

SCHEDULE - 1		(in Rs.)	
SHARE CAPITAL	31.03.2010	31.03.2009	
AUTHORISED SHARE CAPITAL :			
10,000 Equity Shares of Rs.10/- each	100,000	100,000	
ISSUED, SUBSCRIBED & PAID-UP :			
10,000 Equity Shares of Rs.10/- each fully paid up	100,000	100,000	

SCHEDULE - 2		(in Rs.)	
SECURED LOANS	31.03.2010	31.03.2009	
GIDC - Loan	-	449,596	
	-	449,596	

SCHEDULE - 3		(in Rs.)	
USECURED LOANS	31.03.2010	31.03.2009	
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) (Interest Free)	-	1,547,017	
	-	1,547,017	

SCHEDULE - 4		(in Rs.)	
INCIDENTAL EXPENDITURE	31.03.2010	31.03.2009	
PENDING CAPITALISATION			
Audit Fees	3,309	3,309	
Office Expenses	400	400	
Printing & Stationary Expenses	500	500	
	4,209	4,209	

SCHEDULE - 5		(in Rs.)	
INVESTMENTS	No. of Units	31.03.2010	31.03.2009
Other Investment			
In Units			
Quoted, fully paid up			
HDFC Cash Management Fund (Treasury Advantage Plan)	78,026	782,253	-
[88,999 Units Purchased, 10,973 units sold during the year]		782,253	-

SCHEDULE - 6		(in Rs.)	
CURRENT ASSETS, LOANS & ADVANCES	31.03.2010	31.03.2009	
CURRENT ASSETS :			
Cash & Bank Balances :			
HDFC Bank	18,309	27,040	
Cash on Hand	2,550	2,800	
	20,859	29,840	
Loans and Advances:			
Income Tax Advance	58,891	-	
	58,891	-	

SCHEDULE - 7		(in Rs.)	
CURRENT LIABILITIES & PROVISIONS	31.03.2010	31.03.2009	
PROVISIONS :			
Current Tax	122,102	-	
Audit Fees	3,309	3,309	
Legal Fees	2,758	-	
	128,169	3,309	

SCHEDULE - 8		(in Rs.)	
MISCELLANEOUS EXPENDITURE	31.03.2010	31.03.2009	
[To the extent not written off or adjusted]			
Company Incorporation Expenses	6,096	6,096	
Less : Written Off	-	-	
	6,096	6,096	

- I. ACCOUNTING POLICIES:**
The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:
- REVENUE RECOGNITION:**
Dividend income is accounted on receipt basis.
 - WRITING OFF MISCELLANEOUS EXPENDITURE:**
Company formation expenses are not written off in the current year, as the Company has not started commercial operations.
 - EXPENDITURE:**
Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses.
 - INVESTMENTS:**
Investments are classified into long term and current investments. Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition. 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.
 - 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. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for** NIL
- III. Earnings and outgo of foreign exchange.** NIL
- IV. Contingent liabilities not provided for** NIL
- V. Payment To Auditors:**
- | Particulars | 2009-10 | 2008-09 |
|--------------------------|---------|---------|
| a) Statutory & Tax Audit | 3,000 | 3,000 |
| c) Service Tax | 309 | 309 |
- VI. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.**
- VII. Schedule 01 to 09 from an integral part to the Financial Statements and have been authenticated.**

SIGNATURE TO SCHEDULE 01 TO 09

Balance Sheet abstract and Company's general business profile		
a) Registration Details		
Registration No.	U29309GJ2008PTC055207	
Balance Sheet Date	31 st March, 2010	
b) Capital raised during the year	(Amount in '000)	
Public Issue	Nil	
Rights Issue	Nil	
Bonus	Nil	
Private placements	Nil	
c) Position of mobilization and deployment of funds	(Amount in '000)	
Total Assets	Rs. 744	
Total Liabilities	Rs. 744	
Sources of Funds	(Amount in '000)	
Paid up Capital	Rs. 100	
Reserves and Surplus	Rs. 644	
Secured Loans	Nil	
Unsecured Loans	Nil	
Deferred Tax Liability	Nil	
Application of Funds	(Amount in '000)	
Net Fixed Assets	Nil	
Investments	Rs. 782	
Net Current Assets	Rs. (44)	
Misc. Expenditure	Rs. 6	
Accumulated Losses	Nil	
d) Performance of the Company	(Amount in '000)	
Total Income	Rs. 778	
Total Expenditure	Rs. 11	
Net Profit before Tax	Rs. 767	
Net Profit after Tax	Rs. 644	
Earning per share (in Rs.)	Rs. 64.4	
Dividend (%)	Nil	
I. Generic Names of The principal products/services of Company (as per monetary terms):		
Item Code No. (ITC Code)	: 852490-02	
Product Description	: CREATION OF DATABASE	

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

Jubilant Exim Private Limited

DIRECTORS' REPORT

To,
All the Members

Jubilant Exim Private Limited

Your Directors have pleasure in presenting the second Annual Report together with audited accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

Sr. No.	Particular	(Amt in Rs.)
		2009-10
1.	Total Turnover / Sales / Gross Receipt	Nil
2.	Other Income	8,45,898
3.	Profit Before Interest, Deprecation and Tax (PBIDT)	8,34,523
4.	Interest and Financial Charges	Nil
5.	Depreciation	Nil
6.	Provision of Taxation	1,34,216
7.	Profit After Interest, Deprecation and Tax (PAT)	7,00,307
	Add/ Less:- Adjustment of PY Income Tax	Nil
	NETPAT	7,00,307
8.	Surplus brought forward from Previous Year	Nil
9	Profit Available for Appropriation	7,00,307
10	Appropriation	
	Provisions for Dividend	Nil
	Provisions for Tax on Dividend	Nil
	Transfer to General Reserve	Nil
11	Surplus Carried forward to Balance Sheet	7,00,307

OPERATION:

Your Company has achieved total income of Rs. 8,45,898/- during the year under report, and the net profit of the Company has also been increased to 7,00,307/- during the year under report.

DIVIDEND:

With a view to plough back profits of the year, the Board of Directors of your Company do not recommend any dividend for the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company being a services provider company, particulars relating to Consumption of energy are not required to be given. However, the Company has taken sufficient steps for conservation of energy. Further, As the nature of the business of the Company is of services provider, operations of the Company do not require any extensive and significant research and development activities. Further, the Company is not carrying out any commercial activity, and hence, no specific or extensive steps required for the absorption, adaptation and innovation of the technology. There has been no earnings or outgo in foreign exchange during the year under Report.

EMPLOYEES DETAILS:

No person employed in a Company at a remuneration of more than Rs. 24 Lacs per annum or Rs. 2 Lacs per month. Hence the disclosure under section 217(2A) is not required to be made.

DIRECTORS:

During the year under report, Mrs. Trupti Lele, resigned as Director, w.e.f. 02nd February, 2010. The Board took note of her valuable contribution during her tenure as Director. Further, Shri Pratikumar Dadhania, was appointed as Director w.e.f. 02nd February, 2010, at the Extra Ordinary General Meeting of the Company held on that date. Mr. Dadhania, as per provisions of Clause 49 of the Corporate Governance of the Listing Agreement, is an Independent Director in Ace Software Exports Ltd., the holding Company of the Company. The company being subsidiary of public company, provisions of Section 255 related to Directors retiring by rotation, are applicable to it. Accordingly, Shri Vikram Sanghani & Shri Sanjay Dhamsahia, are Directors, liable to retire by rotation at this AGM and being eligible, offer themselves for reappointment. Members are requested to reappoint them as Directors.

AUDITORS:

M/s. Kalaria & Sampat, Chartered Accountants, Rajkot, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure from accounting standards;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We acknowledge with thanks the contribution made by the employees and bankers in the functioning of the Company during the period under consideration and hope to have it continuously in future too.

Date:- 19th May, 2010

Place:- Rajkot

BY ORDER OF THE BOARD OF DIRECTORS
FOR JUBILANT EXIM PRIVATE LIMITED

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSAHIA
DIRECTOR



Jubilant Exim Private Limited

AUDITORS' REPORT

The Members of JUBILANT EXIM PRIVATE LIMITED

1. We have audited the attached Balance Sheet of JUBILANT EXIM PRIVATE LIMITED, as at 31st March, 2010. 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 the auditing standards generally accepted in India. Those 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.
3. 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.
4. 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 purposes 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 dealt with by this report is in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet dealt with by this report comply with 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, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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, 2010;
 - (b) in the case of the Profit & Loss Account of the profit for the year ended on that date.

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

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010

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

To,
JUBILANT EXIM PRIVATE 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) During the year, the company has not carried out physical verification of the fixed assets as it consisted of industrial land which has also been sold during the year under review.
(b) During the year, the Company disposed off the industrial land which was not in use. Besides the company has till date not commenced any commercial operations. In view of the same, the ability of the company to continue as a going concern is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
The Company had taken unsecured interest free loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956 on such terms and conditions which were not prejudicial to the interest of the company. The same have been repaid during the year under review. The maximum amount due at any time during the year was Rs. 20.87 lacs.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (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 deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
(b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) The company has not availed any term loan during the year and accordingly, the provisions clause (xvi) of the Company (Auditor's Report) Order 2003 are not applicable.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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)

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010



Jubilant Exim Private Limited
BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009 (in Rs.)
I. SOURCES OF FUNDS			
1) Shareholder's Fund :			
a) Share Capital	1	100,000	100,000
b) Reservers & Surplus		700,307	-
2) Loan Fund :			
a) Secured Loans	2	-	470,073
b) Unsecured Loans	3	-	1,527,091
		<u>800,307</u>	<u>2,097,164</u>
II. APPLICATION OF FUNDS			
3) Fixed Assets :			
Gross Block (Land at GIDC, Metoda)		-	2,060,464
Less : Depreciation		-	-
Net Block		-	2,060,464
4) Incidental Expenditure Pending Capitalisation	4	4,209	4,209
		<u>4,209</u>	<u>2,064,673</u>
5) Investments	5	851,951	-
6) Current Assets, Loans & Advances:	6		
1) Cash & Bank Balance		17,615	29,800
2) Loans and Advances		60,815	-
		<u>78,430</u>	<u>29,800</u>
Less : Current Liabilities & Provisions :	7	140,283	3,309
Net Current Assets		(61,853)	26,491
7) Miscellaneous Expenditure [To the extent not written off or adjusted]	8	6,000	6,000
		<u>800,307</u>	<u>2,097,164</u>
	9		

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010 (in Rs.)
I. INCOME		
Other Income :		
Dividend Income		11,951
Profit on Sale of Land		833,947
		<u>845,898</u>
II. EXPENDITURE:		
Administrative Expenses:		
Audit Fees		3,309
Légal Fees		7,016
Office Expenses		250
Filing Fees		800
		<u>11,375</u>
Profit before Tax		834,523
Less : Provision for tax:		
Current Tax		134,216
Profit after Tax		700,307
Add. : Profit & Loss Account B/fd. from last year		-
Balance carried forward to Balance Sheet		<u>700,307</u>
	9	

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



Jubilant Exim Private Limited

SCHEDULE - 1

	31.03.2010	31.03.2009
(in Rs.)		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :		
10,000 Equity Shares of Rs.10/- each	100,000	100,000
ISSUED, SUBSCRIBED & PAID-UP :		
10,000 Equity Shares of Rs.10/- each fully paid up	100,000	100,000

SCHEDULE - 2

	31.03.2010	31.03.2009
(in Rs.)		
SECURED LOANS		
GIDC - Loan	-	470,073
	-	470,073

SCHEDULE - 3

	31.03.2010	31.03.2009
(in Rs.)		
UNSECURED LOANS		
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) (Interest Free)	-	1,527,091
	-	1,527,091

SCHEDULE - 4

	31.03.2010	31.03.2009
(in Rs.)		
INCIDENTAL EXPENDITURE PENDING CAPITALISATION		
Audit Fees	3,309	3,309
Office Expenses	400	400
Printing & Stationary Expenses	500	500
	4,209	4,209

SCHEDULE - 5

	No. of Units	31.03.2010	31.03.2009
(in Rs.)			
INVESTMENTS			
Other Investmentn In Units			
Quoted, fully paid up			
HDFC Cash Management Fund (Treasury Advantage Plan)	84,936	851,951	-
[96,408 Units Purchased, 11,472 units sold during the year]		851,951	-

SCHEDULE - 6

	31.03.2010	31.03.2009
(in Rs.)		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS :		
Cash & Bank Balances :		
HDFC Bank	15,065	27,000
Cash on Hand	2,550	2,800
	17,615	29,800
Loans and Advances:		
Income Tax Advance	60,815	-
	60,815	-

SCHEDULE - 7

	31.03.2010	31.03.2009
(in Rs.)		
CURRENT LIABILITIES & PROVISIONS		
PROVISIONS :		
Current Tax	134,216	-
Audit Fees	3,309	3,309
Legal Fees	2,758	-
	140,283	3,309

SCHEDULE - 8

	31.03.2010	31.03.2009
(in Rs.)		
MISCELLANEOUS EXPENDITURE		
[To the extent not written off or adjusted]		
Company Incorporation Expenses	6,000	6,000
Less : Written Off	-	-
	6,000	6,000

SCHEDULE - 9 NOTES TO ACCOUNTS

I. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

- 1) **REVENUE RECOGNITION:**
Dividend income is accounted on receipt basis.
- 2) **WRITING OFF MISCELLANEOUS EXPENDITURE:**
Company formation expenses are not written off in the current year, as the Company has not started commercial operations.
- 3) **EXPENDITURE:**
Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses.
- 4) **INVESTMENTS:**
Investments are classified into long term and current investments. Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition. 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.
- 5) **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. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for

III. Earnings and outgo of foreign exchange.

IV. Contingent liabilities not provided for

V. Payment to Auditors:

Particulars	2009-2010	2008-2009
a) Statutory Audit	3000	3,000
c) Service Tax	309	309
Total	3,309	3,309

VI. According to the opinion of the Management, the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

VII. Schedule 01 to 09 from an integral part to the Financial Statements and have been authenticated.

SIGNATURE TO SCHEDULE 01 TO 09

Balance Sheet abstract and Company's general business profile

- a) Registration Details
Registration No. **U52602GJ2008PTC055417**
Balance Sheet Date **31st March, 2010**
- b) Capital raised during the year
Public Issue **Nil**
Rights Issue **Nil**
Bonus **Nil**
Private placements **Nil**
c) Position of mobilization and deployment of funds (Amount in '000)
Total Assets **Rs. 800**
Total Liabilities **Rs. 800**
Sources of Funds (Amount in '000)
Paid up Capital **Rs. 100**
Reserves and Surplus **Rs. 700**
Secured Loans **Nil**
Unsecured Loans **Nil**
Deferred Tax Liability **Nil**
Application of Funds (Amount in '000)
Net Fixed Assets **Nil**
Investments **Rs. 852**
Net Current Assets **Rs. (58)**
Misc. Expenditure **Rs. 6**
Accumulated Losses **Nil**
d) Performance of the Company (Amount in '000)
Total Income **Rs. 846**
Total Expenditure **Rs. 11**
Net Profit before Tax **Rs. 835**
Net Profit after Tax **Rs. 700**
Earning per share (in Rs.) **Rs. 70.03**
Dividend (%) **Nil**

I. Generic Names of The principal products/services of Company (as per monetary terms):

Item Code No. (ITC Code) : **852490-02**
Product Description : **CREATION OF DATABASE**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's registration No: 104570W]

BRIJEN N. SAMPAT
PARTNER
RAJKOT, DATED 19th May, 2010

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

Speedwell Engineers Private Limited

DIRECTORS' REPORT

To,
All the Members
Speedwell Engineers Private Limited

Your Directors have pleasure in presenting the second Annual Report together with audited accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

SR. NO.	PARTICULAR	(Amt in Rs.) 2009-10
1.	Total Turnover / Sales / Gross Receipt	Nil
2.	Other Income	18,35,372
3.	Profit Before Interest, Deprecation and Tax (PBITD)	18,23,882
4.	Interest and Financial Charges	Nil
5.	Depreciation	Nil
6.	Provision of Taxation	2,90,025
7.	Profit After Interest, Deprecation and Tax (PAT)	15,33,857
	Add/ Less:- Adjustment of PY Income Tax	Nil
	NET PAT	15,33,857
8.	Surplus brought forward from Previous Year	Nil
9.	Profit Available for Appropriation	15,33,857
10.	Appropriation	
	Provisions for Dividend	Nil
	Provisions for Tax on Dividend	Nil
	Transfer to General Reserve	Nil
11.	Surplus Carried forward to Balance Sheet	15,33,857

OPERATION:

Your Company has achieved total income of Rs. 18,35,372/- during the year under report, and the net profit of the Company has also been increased to 15,33,857/- during the year under report.

DIVIDEND:

With a view to plough back profits of the year, the Board of Directors of your Company do not recommend any dividend for the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company being a engineering services provider company, particulars relating to Consumption of energy are not required to be given. However, the Company has taken sufficient steps for conservation of energy. Further, As the nature of the business of the Company is of engineering services provider, operations of the Company do not require any extensive and significant research and development activities. Further, the Company is not carrying out any commercial activity, and hence, no specific or extensive steps required for the absorption, adaptation and innovation of the technology. There has been no earnings or outgo in foreign exchange during the year under Report.

EMPLOYEES DETAILS:

No person employed in a Company at a remuneration of more than Rs. 24 Lacs per annum or Rs. 2 Lacs per month. Hence the disclosure under section 217(2A) is not required to be made.

DIRECTORS:

During the year under report, Mrs. Trupti Lele, resigned as Director, w.e.f. 02nd February, 2010. The Board took note of her valuable contribution during her tenure as Director. Further, Shri Pratikumar Dadhania, was appointed as Director w.e.f. 02nd February, 2010, at the Extra Ordinary General Meeting of the Company held on that date. Mr. Dadhania, as per provisions of Clause 49 of the Corporate Governance of the Listing Agreement, is an Independent Director in Ace Software Exports Ltd., the holding Company of the Company. The company being subsidiary of public company, provisions of Section 255 related to Directors retiring by rotation, are applicable to it. Accordingly, Shri Vikram Sanghani & Shri Sanjay Dhamsahia, are Directors, liable to retire by rotation at this AGM and being eligible, offer themselves for reappointment. Members are requested to reappoint them as Directors.

AUDITORS:

M/s. Kalaria & Sampat, Chartered Accountants, Rajkot, retiring Auditors of the Company, being eligible for reappointment, offers themselves for reappointment. Members are requested to reappoint them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state:

- that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure from accounting standards;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We acknowledge with thanks the contribution made by the employees and bankers in the functioning of the Company during the period under consideration and hope to have it continuously in future too.

Date:- 19th May, 2010
Place:- Rajkot

BY ORDER OF THE BOARD OF DIRECTORS
FOR SPEEDWELL ENGINEERS PRIVATE LIMITED

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSAHIA
DIRECTOR



Speedwell Engineers Private Limited

AUDITORS' REPORT

The Members of SPEEDWELL ENGINEERS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of SPEEDWELL ENGINEERS PRIVATE LIMITED, as at 31st March, 2010. 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 the auditing standards generally accepted in India. Those 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.
3. 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.
4. 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 purposes 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 dealt with by this report is in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet dealt with by this report comply with 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, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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, 2010;
 - (b) in the case of the Profit & Loss Account, of the Profit of the company for the period ended on that date.

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

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010

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

To,
SPEEDWELL ENGINEERS PRIVATE 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) During the year, the company has not carried out physical verification of the fixed assets as it consisted of industrial land which has also been sold during the year under review.
(c) During the year, the Company disposed off the industrial land which was not in use. Besides the company has till date not commenced any commercial operations. In view of the same, the ability of the company to continue as a going concern is not affected.
- (ii) This is second year of the Company and it has yet not commenced its commercial operations and thus there was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
The Company had taken unsecured interest free loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956 on such terms and conditions which were not prejudicial to the interest of the company. The same have been repaid during the year under review. The maximum amount due at any time during the year was Rs. 33.98 lacs.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (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 deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
(b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) The company has not availed any term loan during the year and accordingly, the provisions clause (xvi) of the Company (Auditor's Report) Order 2003 are not applicable.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (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)

Brijen N. Sampat
Partner
Rajkot, Dated 19th May, 2010

Speedwell Engineers Private Limited

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010	31.03.2009 (in Rs.)
I. SOURCES OF FUNDS			
1) Shareholder's Fund :			
a) Share Capital	1	100,000	100,000
b) Reservers & Surplus		1,533,857	
2) Loan Fund :			
a) Secured Loans	2	-	741,362
b) Unsecured Loans	3	-	2,542,842
		<u>1,633,857</u>	<u>3,384,204</u>
II. APPLICATION OF FUNDS			
3) Fixed Assets :			
Gross Block (Land at GIDC, Metoda)		-	3,347,504
Less : Depreciation		-	-
Net Block		-	3,347,504
4) Incidental Expenditure Pending Capitalisation	4	4,209	4,209
		<u>4,209</u>	3,351,713
5) Investments	5	1,693,027	-
6) Current Assets, Loans & Advances:	6		
1) Cash & Bank Balance		21,224	29,800
2) Loans and Advances		<u>205,489</u>	-
		226,713	29,800
Less : Current Liabilities & Provisions :	7	<u>296,092</u>	<u>3,309</u>
Net Current Assets		(69,379)	26,491
7) Miscellaneous Expenditure [To the extent not written off or adjusted]	8	6,000	6,000
		<u>1,633,857</u>	<u>3,384,204</u>
	9		

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010 (in Rs.)
I. INCOME		
Other Income :		
Dividend Income		33,027
Profit on Sale of Land		1,802,345
		<u>1,835,372</u>
II. EXPENDITURE:		
Administrative Expenses:		
Audit Fees		3,309
Bank Charges		165
Legal Fees		7,016
Office Expenses		200
Filing Fees		800
		<u>11,490</u>
Profit before Tax		1,823,882
Less : Provision for tax:		
Current Tax		290,025
Profit after Tax		1,533,857
Add. : Profit & Loss Account B/fd. from last year Balance carried forward to Balance Sheet		<u>1,533,857</u>
	9	

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

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

BRIJEN N. SAMPAT
PARTNER

RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



Speedwell Engineers Private Limited

SCHEDULE - 1 (in Rs.)

	31.03.2010	31.03.2009
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :		
10,000 Equity Shares of Rs.10/- each	100,000	100,000
ISSUED, SUBSCRIBED & PAID-UP :		
10,000 Equity Shares of Rs.10/- each fully paid up	100,000	100,000

SCHEDULE - 2 (in Rs.)

	31.03.2010	31.03.2009
SECURED LOANS		
GIDC - Loan	-	741,362
	-	741,362

SCHEDULE - 3 (in Rs.)

	31.03.2010	31.03.2009
UNSECURED LOANS		
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) (Interest Free)	-	2,542,842
	-	2,542,842

SCHEDULE - 4 (in Rs.)

	31.03.2010	31.03.2009
INCIDENTAL EXPENDITURE		
PENDING CAPITALISATION		
Audit Fees	3,309	3,309
Office Expenses	400	400
Printing & Stationary Expenses	500	500
	4,209	4,209

SCHEDULE - 5 (in Rs.)

	No. of Units	31.03.2010	31.03.2009
INVESTMENTS			
Other Investmetn In Units			
Quoted, fully paid up			
HDFC Cash Management Fund (Treasury Advantage Plan) [197951 Units Purchased, 28929 units sold during the year]	169,022	1,693,027	-
		1,693,027	-

SCHEDULE - 6 (in Rs.)

	31.03.2010	31.03.2009
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS :		
Cash & Bank Balances :		
HDFC Bank	18,624	27,000
Cash on Hand	2,600	2,800
	21,224	29,800
Loans and Advances:		
Income Tax Advance	205,489	-
	205,489	-

SCHEDULE - 7 (in Rs.)

	31.03.2010	31.03.2009
CURRENT LIABILITIES & PROVISIONS		
PROVISIONS :		
Current Tax	290,025	-
Audit Fees	3,309	3,309
Legal Fees	2,758	-
	296,092	3,309

SCHEDULE - 8 (in Rs.)

	31.03.2010	31.03.2009
MISCELLANEOUS EXPENDITURE		
[To the extent not written off or adjusted]		
Company Incorporation Expenses	6,000	6,000
Less : Written Off	-	-
	6,000	6,000

SCHEDULE - 9 NOTES TO ACCOUNTS

ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

- 1) **REVENUE RECOGNITION:**
Dividend income is accounted on receipt basis.
- 2) **WRITING OFF MISCELLANEOUS EXPENDITURE:**
Company formation expenses are not written off in the current year, as the Company has not started commercial operations.
- 3) **EXPENDITURE:**
Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses.
- 4) **INVESTMENTS:**
Investments are classified into long term and current investments. Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition. 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.
- 5) **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. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL
 - III. Earnings and outgo of foreign exchange. NIL
 - IV. Contingent liabilities not provided for NIL
 - V. Payment to Auditors:
- | Particulars | 2009-10 | 2008-09 |
|--------------------------|---------|---------|
| a) Statutory & Tax Audit | 3,000 | 3,000 |
| c) Service Tax | 309 | 309 |
- VI. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
 - VII. Schedule 01 to 09 from an integral part to the Financial Statements and have been authenticated.

SIGNATURE TO SCHEDULE 01 TO 09

Balance Sheet abstract and Company's general business profile

- | | |
|---|------------------------------|
| a) Registration Details | |
| Registration No. | U29100GJ2008PTC055413 |
| Balance Sheet Date | 31 st March, 2010 |
| b) Capital raised during the year | (Amount in '000) |
| Public Issue | Nil |
| Rights Issue | Nil |
| Bonus | Nil |
| Private placements | Nil |
| c) Position of mobilization and deployment of funds | (Amount in '000) |
| Total Assets | Rs. 1,634 |
| Total Liabilities | Rs. 1,634 |
| Sources of Funds | (Amount in '000) |
| Paid up Capital | Rs. 100 |
| Reserves and Surplus | Rs. 1,534 |
| Secured Loans | Nil |
| Unsecured Loans | Nil |
| Deferred Tax Liability | Nil |
| Application of Funds | (Amount in '000) |
| Net Fixed Assets | Nil |
| Investments | Rs. 1,693 |
| Net Current Assets | Rs. (65) |
| Misc. Expenditure | Rs. 6 |
| Accumulated Losses | Nil |
| d) Performance of the Company | (Amount in '000) |
| Total Income | Rs. 1,835 |
| Total Expenditure | Rs. 11 |
| Net Profit before Tax | Rs. 1,824 |
| Net Profit after Tax | Rs. 1,534 |
| Earning per share (in Rs.) | Rs. 153.34 |
| Dividend (%) | Nil |

- I. Generic Names of The principal products/services of Company (as per monetary terms):

Item Code No. (ITC Code) : 852490-02
Product Description : CREATION OF DATABASE

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

BRIJEN N. SAMPAT
PARTNER
RAJKOT, DATED 19th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
DIRECTOR

SANJAY H. DHAMSANIA
DIRECTOR



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, 2010, 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 did not audit the financial statements of Apex Advance Technology Private Limited whose financial statements reflect total assets and total revenue (as per table below) for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Group, and our opinion is based solely on the reports of other auditors.

Name of Subsidiaries	Total Assets (Rs.)	Total Revenue (Rs.)
Apex Advance Technology Pvt. Ltd.	3,76,28,661	20,37,424

4. 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.
5. ***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, 2010;
 - (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)

Brijen N. Sampat
Partner

Rajkot, Dated 29th May, 2010

Ace Software Exports Ltd. - Consolidated
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	- (in Rs.)	
		31.03.2010	31.03.2009
I. SOURCES OF FUNDS :			
(1) Shareholder's Funds :			
(a) Share Capital	1	46,800,000	46,800,000
(b) Reserves & Surplus	2	109,606,064	106,361,272
(2) Minority Interest		514,777	504,454
(3) Loan Funds:			
(a) Secured Loans	3	-	2,861,196
(4) Deferred Tax Liability		(72,623)	(131,644)
		156,848,219	156,395,279
II. APPLICATION OF FUNDS :			
(5) Fixed Assets	4		
Gross Block		62,492,254	75,438,280
Less : Depreciation		40,073,973	39,418,529
Less : Impairment		7,100,000	7,100,000
Net Block		15,318,282	28,919,751
(6) Incidental Expenditure Pending Capitalisation		21,045	21,045
		15,339,327	28,940,796
(7) Investments	5	73,571,335	27,484,847
(8) Current Assets, Loans & Advances:	6		
1) Inventories		2,409,105	3,655,803
2) Cash & Bank Balances		4,296,518	5,765,760
3) Loans and Advances		65,962,685	94,857,768
		72,668,308	104,279,331
Less : Current Liabilities & Provisions :	7		
(a) Current Liabilities		2,467,759	2,634,312
(b) Provisions		2,293,280	1,705,671
		4,761,039	4,339,983
Net Current Assets		67,907,269	99,939,348
(9) Miscellaneous Expenditure: [To the extent not written off or adjusted]	8	30,288	30,288
		156,848,219	156,395,279
NOTES TO ACCOUNTS	14		

AS PER OUR REPORT OF EVEN DATE
 FOR KALARIA & SAMPAT,
 CHARTERED ACCOUNTANTS
 [Firm's Registration No.104570W]

BRIJEN N. SAMPAT
 PARTNER
 RAJKOT, Dated 29th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,
SANJAY H. DHAMSANIA **VIKRAM B. SANGHANI**
 JT.MANAGING DIRECTOR JT.MANAGING DIRECTOR
N. I. THOMAS
 COMPANY SECRETARY

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	- (in Rs.)	
		31.03.2010	31.03.2009
I. INCOME :			
Sales & Services	9	18,920,435	26,857,714
Other Income	10	14,076,430	14,591,342
Stock Variance	11	(1,246,698)	1,839,468
		31,750,167	43,288,524
II. EXPENDITURE :			
Operating Expenses	12	18,190,605	20,604,073
Administrative Expenses	13	7,720,419	14,419,839
Depreciation/Amortization/Impairment Loss (Refer to Note No. III of Notes to Accounts)		1,085,327	1,121,091
		26,996,351	36,145,004
Profit before tax		4,753,816	7,143,521
Less : Provision For Tax			
Current Tax		1,113,774	405,972
Deferred Tax		59,021	(171,133)
Fringe Benefit Tax		-	51,375
		1,172,795	286,214
Profit after tax		3,581,021	6,857,307
Less : Minority Interest		10,323	70,047
Profit after Minority Interest		3,570,698	6,787,260
Add : Profit & Loss Account B/fd. from last year		71,466,503	92,174,414
Excess provision of earlier year written back		(325,907)	76,906
Less : Previous year's adjustment		-	(24,968,529)
Add : Excess provision of Dividend and Distribution Tax thereon		-	397,011
AMOUNT AVAILABLE FOR APPROPRIATION :		74,711,294	74,467,063
Appropriations :			
Interim Dividend		-	2,369,573
Tax on Interim Dividend @ 16.995%		-	434,926
Transferred to General Reserves		133,118	196,061
		133,118	2,999,560
BALANCE CARRIED FORWARD TO BALANCE SHEET		74,578,176	71,466,503
Earning Per Share-Basic and Diluted (Rs.)		0.74	1.41
Weighted average number of shares		4,816,112	4,816,112
NOTES TO ACCOUNTS	14		

AS PER OUR REPORT OF EVEN DATE
 FOR KALARIA & SAMPAT,
 CHARTERED ACCOUNTANTS
 [Firm's Registration No.104570W]

BRIJEN N. SAMPAT
 PARTNER
 RAJKOT, Dated 29th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,
SANJAY H. DHAMSANIA **VIKRAM B. SANGHANI**
 JT.MANAGING DIRECTOR JT.MANAGING DIRECTOR

N. I. THOMAS
 COMPANY SECRETARY



Ace Software Exports Ltd. - Consolidated

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.10

	31.3.2010	(Rs. In lakhs) 31.3.2009
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	48	72
Adjustments for :		
Depreciation & other non cash charges	11	42
Dividend Income	(21)	(32)
Surplus on sale of Investments/Assets (net)	(56)	(41)
Interest Income	(58)	(65)
Interest Expenses	-	-
Excess provision of earlier years	-	-
Operating Profit before working capital changes	(77)	(24)
Adjustments for :		
Trade and other receivables	306	(92)
Inventories	-	(18)
Trade Payables	(2)	(9)
Cash generated from Operations	227	(143)
Direct taxes paid (net of refunds)	(13)	(16)
Cashflow before extra-ordinary items	214	(159)
Net cashflow from operating activities	214	(159)
B. Cashflow from investing activities		
Purchase of Fixed Assets	(6)	(14)
Sale of Fixed Assets	187	137
Purchase of Investments	-	(3)
Sale/ Purchase of Investments	(461)	107
Interest Received	58	65
Dividend Income	21	32
Net cash generated/used in investing activities	(201)	324
C. Cashflow from financing activities		
Repayment of loans	(29)	(39)
Loans received	-	-
Buy back of shares	-	(21)
Premium on Buy back of shares	-	(64)
Interest paid	-	-
Payment of Dividend & Distribution Tax thereon	-	(55)
Net cash generated/used in financing activities	(29)	(180)
Net increase in cash and cash equivalent	(15)	(11)
Cash and cash equivalent as at 31.3.2009	58	71
(Opening Balance)		
Cash and cash equivalent as at 31.3.2010	43	57
(Closing Balance)		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

RAJKOT, Dated 29th May, 2010

SANJAY H. DHAMSANIA
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI
JT.MANAGING 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

BRIJEN N. SAMPAT
PARTNER



RAJKOT, Dated 29th May, 2010

Ace Software Exports Ltd. - Consolidated
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 1			SCHEDULE - 2		
(in Rs.)			(in Rs.)		
SHARE CAPITAL	31.03.2010	31.03.2009	RESERVES & SURPLUS	31.03.2010	31.03.2009
AUTHORISED SHARE CAPITAL :			Capital Reserve	675,261	675,261
60,00,000 Equity Shares of Rs.10/- each	60,000,000	60,000,000	Capital Reserve on Consolidation	20,971,710	20,971,710
	<u>60,000,000</u>	<u>60,000,000</u>	Capital Redemption Reserve	10,200,000	10,200,000
ISSUED, SUBSCRIBED & PAID-UP :			General Reserve	3,180,918	3,047,798
51,21,726 Equity Shares of Rs.10/- each fully paid-up	46,800,000	46,800,000	Profit & Loss Account	74,578,175	71,466,503
	<u>46,800,000</u>	<u>46,800,000</u>		<u>109,606,064</u>	<u>106,361,272</u>

SCHEDULE - 4													
(in Rs.)													
ASSETS HEAD	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK	
	OPENING BALANCE	ADDI-TIONS	DEDUC-TIONS	BALANCE	UP TO 31.03.2009	FOR THE YEAR	DEPRE. ADJUST.	UP TO 31.03.2010	AS ON 31.03.2009	ADDI-TIONS/ ADJUST-MENT	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
Lease Hold Land	12,875,337	-	12,875,337	-	-	-	-	-	-	-	-	-	12,875,337
Office & Residential Premises	11,673,342	-	276,371	11,396,971	2,028,648	188,375	46,264	2,170,759	-	-	-	9,226,212	9,644,694
Computers & Peripherals	30,107,308	455,350	-	30,562,658	27,253,261	276,594	-	27,529,855	1,700,000	-	1,700,000	1,332,803	1,154,047
Furniture & Fixtures	7,704,162	-	-	7,704,162	3,296,474	120,657	-	3,417,131	2,650,000	-	2,650,000	1,637,030	1,757,687
Office Equipments	9,089,905	133,952	-	9,223,857	4,689,049	117,524	-	4,806,573	2,750,000	-	2,750,000	1,667,284	1,650,856
Vehicles	3,988,226	-	383,620	3,604,606	2,151,097	382,177	383,619	2,149,665	-	-	-	1,454,951	1,837,129
	<u>75,438,280</u>	<u>589,302</u>	<u>13,535,328</u>	<u>62,492,254</u>	<u>39,418,529</u>	<u>1,085,327</u>	<u>429,883</u>	<u>40,073,973</u>	<u>7,100,000</u>	-	<u>7,100,000</u>	<u>15,318,281</u>	<u>28,919,751</u>
Previous Year	<u>74,520,890</u>	<u>14,262,465</u>	<u>13,345,075</u>	<u>75,438,280</u>	<u>39,816,952</u>	<u>1,121,091</u>	<u>1,519,514</u>	<u>39,418,529</u>	<u>7,100,000</u>	-	<u>7,100,000</u>	<u>28,919,751</u>	<u>34,703,939</u>

SCHEDULE - 5			SCHEDULE - 7		
(in Rs.)			(in Rs.)		
INVESTMENTS	31.03.2010	31.03.2009	CURRENT LIABILITIES & PROVISIONS	31.03.2010	31.03.2009
A. LONG TERM INVESTMENTS :			<i>Sundry Creditors :</i>		
Trade Investments	1,376,168	1,376,168	For Expenses	1,876,281	1,723,342
Investments in Mutual Fund Scheme	57,986,127	11,940,114	<i>Others :</i>		
Investments in Bonds & Debentures	7,000,000	7,000,000	Current Liabilities	1,175	1,175
Investments in Others	7,209,040	7,168,565	Tax Deducted at Sources	54,313	148,249
	<u>73,571,335</u>	<u>27,484,847</u>	Unclaimed Dividend	535,990	761,546
			<i>Provisions :</i>		
			For Expenditure	1,048,231	1,089,854
			For Income Tax	1,113,774	405,972
			For Fringe Benefit Tax	4,325	7,425
			For Wealth Tax	126,950	202,420
				<u>4,761,039</u>	<u>4,339,983</u>

SCHEDULE - 6			SCHEDULE - 8		
(in Rs.)			(in Rs.)		
CURRENT ASSETS, LOANS & ADVANCES	31.03.2010	31.03.2009	MISCELLANEOUS EXPENDITURE	31.03.2009	31.03.2009
CURRENT ASSETS :			[To the extent not written off or adjusted]		
Stock - Finished	2,409,105	3,655,803	Preliminary and Deferred Revenue Expenditure	30,288	30,288
[As taken, valued and certified by the Management]			Less : Written off	-	-
Cash and Bank Balances :				<u>30,288</u>	<u>30,288</u>
Cash On Hand	273,619	499,117			
Balances with Scheduled Bank :					
Current Accounts	578,994	1,597,182			
Dividend Accounts	535,990	761,546			
Deposit Accounts	2,907,915	2,907,915			
LOANS AND ADVANCES :					
(Unsecured & considered good unless otherwise stated)					
(a) Advances to Staff	55,000	37,606			
(b) Advances to Others	34,018,879	53,520,557			
(c) Other Deposits	7,318,961	7,322,471			
(d) Tax Deducted at Sources	636,432	649,582			
(e) Income Tax Advance	467,276	-			
(f) Interest Receivables	1,778,224	843,083			
(g) Advances Recoverable in cash or in kind or for value to be received	21,659,019	32,446,742			
(h) Pre-paid Expenses	28,894	37,727			
	<u>72,668,308</u>	<u>104,279,331</u>			

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT			
SCHEDULE - 9		SCHEDULE - 10	
(in Rs.)		(in Rs.)	
SALES & SERVICES	31.03.2010	31.03.2009	OTHER INCOME
Export Sales	18,920,435	26,857,714	31.03.2010
	<u>18,920,435</u>	<u>26,857,714</u>	Interest (Net)
			5,792,263
			Dividend Income
			2,019,474
			Profit on Sale of Investments/Assets
			6,077,195
			Profit on Sale of Mutual Fund
			-
			Miscellaneous Income
			187,498
			Kasar
			-
			14,076,430
			14,591,342

Ace Software Exports Ltd. - Consolidated

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	SCHEDULE - 11		(in Rs.)	SCHEDULE - 13		(in Rs.)
STOCK VARIANCE	31.03.2010	31.03.2009		31.03.2010	31.03.2009	
Closing Stock	2,409,105	3,655,803	ADMINISTRATIVE EXPENSES	259,031	852,021	
Less : Opening Stock	3,655,803	1,816,335	Rent,Rates,Taxes and Insurance	473,807	210,715	
	<u>(1,246,698)</u>	<u>1,839,468</u>	Repairs,Replacement & Maintenance	558,021	326,482	
			Travelling,Conveyance & Vehicle	683,407	542,147	
			Printing,Stationery,Postage & Xerox	1,097,995	1,473,126	
			Legal & Professional Charges	464,465	1,574,027	
			General Expenses	2,640,000	2,730,000	
			Directors' Remuneration & Allowances	5,490	75	
			Books & Periodicals, News Papers	153,516	-	
			Freight / Octroi Expenses	988,876	706,299	
			Electricity Expenses	93,755	33,090	
			Auditors' Remuneration	265,418	172,028	
			Internet Expenses	-	121,158	
			Marketing & Research Expenses	-	204,773	
			Loss on Sale of Fixed Assets	36,638	3,100,000	
			Diminution in value of investment	-	2,363,899	
			Corporate Expenses	-	10,000	
			Case Settlement Expenses	-	-	
				<u>7,720,419</u>	<u>14,419,839</u>	

Notes to Accounts and Significant Accounting Policies on Consolidated Financial Statements

SCHEDULE - 14

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 31.03.10	As at 31.03.2009
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%
Apex Advance Technology 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 in the year of payment.

05] Employee Benefits:

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

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 Apex Advance Technology Pvt. Ltd. provides depreciation on Written down basis at the rates and manner prescribed in Schedule XIV of 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.)
Apex Advance Technology Pvt. Ltd.	46,82,338	40,05,677
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	2009-2010	2008-2009
a) Amount used as the numerator Profit after Minority Interest	Rs. in Lac	35.71	67.87
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.	0.76	1.45

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

VI Schedules 1 to 14 form an integral part to the Financial Statements and have been authenticated.

Signature to Schedule 01 to 14

AS PER OUR REPORT OF EVEN DATE
FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTS
[Firm's Registration No.104570W]

BRIJEN N. SAMPAT
PARTNER
RAJKOT, Dated 29th May, 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA VIKRAM B. SANGHANI
J.T.MANAGING DIRECTOR J.T.MANAGING DIRECTOR

N. I. THOMAS
COMPANY SECRETARY



**ADDENDUM TO ANNUAL REPORT 2009-10
ANNEXURE TO THE DIRECTORS' REPORT
AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To the Members of
ACE SOFTWARE EXPORTS LTD.,

We have examined the compliance of conditions of Corporate Governance by **Ace Software Exports Limited**, for the year ended on **31st March, 2010**, as stipulated in Clause 49 of the Listing Agreement of the Said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investors' Grievance Committee.

We further 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's Registration No. 104570W)

Brijen N. Sampat
Partner
Membership No.: 42637

Rajkot, Dated 29th May, 2010



Ace Software Exports Limited

801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot- 360 001.

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