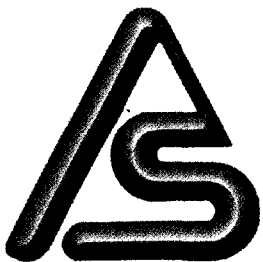


FIFTH ANNUAL REPORT 1998-99

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Ace Software Exports Limited

NEW AVENUES

Ace Software Exports Ltd. has commenced two subsidiaries where your company holds 80% shares in each. Ace Infoway Ltd. is based at Ahmedabad and is involved in the Internet Web Services business. Apex Logical Data Conversion Ltd., is based at Hyderabad and is an expansion of your company's Database Software Operations.



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ACE INFOWAY LTD., (AIL)

is located in the prestigious Sakar IV building at Ashram road, Ahmedabad, and has an office in Rajkot. AIL offers website creation and hosting services. The major achievements include a website for the Gujarat Secondary Education Board for the Std. XII results.

A national first by any State Education Board.
The site was inaugurated by Shri Keshubhai Patel,
Chief Minister of Gujarat.

CONTD. ON LAST INSIDE COVER PAGE...

BOARD OF DIRECTORS

VIKRAM B. SANGHANI
Jt. Managing Director

SANJAY H. DHAMSANIA
Jt. Managing Director

HARILAL T. DHAMSANIA
JAY B. SANGHANI
BHUPAT C. SANGHANI
BIPIN V. PATEL
RAHUL J. KALARIA

AUDITORS

KALARIA & SAMPAT
Chartered Accountants

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BANKERS
BANK OF BARODA

FOREIGN COLLABORATOR
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 Fifth Annual General Meeting of **ACE SOFTWARE EXPORTS LIMITED** will be held at 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot on **SATURDAY, 25th SEPTEMBER, 1999** at 11:00 Hours to transact the following ordinary business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st MARCH, 1999 and the Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint directors in place of Shri Jay B. Sanghani and Mr. Rahul Kalaria who retire by rotation, and being eligible, offer themselves for re-appointment.
3. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The register of members and share transfer books of the company will remain closed from Saturday, 4th September, 1999 to Saturday, 25th September, 1999 (both days inclusive).
3. It may kindly be noted that the Share Transfer work is now being done in-house by the company at its Registered Office. All correspondence may be addressed only to the Registered Office of the company.

The Share Department will be open from 9.30 a.m. to 12.30 p.m.

23rd, July, 1999

BY ORDER OF THE BOARD

Registered Office :

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

VIKRAM B. SANGHANI
JT. MANAGING DIRECTOR



Ace Software Exports Ltd. DIRECTORS' REPORT

To
The Members
ACE SOFTWARE EXPORTS LTD.,

Your Directors have pleasure in presenting you the **FIFTH ANNUAL REPORT** of the company together with the Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS :

The financial highlights for the year ended 31st March, 1999 are given below :

	(Rs. in lacs) 1998-99
Income from Operations and other income	272.87
Profit before Depreciation, write-offs & Taxation	104.99
LESS : Depreciation & write-offs	34.71
Profit before tax	70.28
LESS : Provision for taxation	1.60
Profit after tax	68.68
Amount of Appropriation	
General Reserve	2.75
Carried to next year	65.93

1. DIVIDEND :

In view of the proposed capital expenditure to be incurred in respect of the Hyderabad project and expansion of the CAD division, your Directors have decided to conserve the profits available for appropriation and therefore no dividend is proposed for the year 1998-99.

2. PERFORMANCE :

Your company has registered sales of Rs. 270.23 and has earned Profit after tax of Rs. 68.68 lacs for the year under review.

3. OPERATIONS :

The Database Creation operations have received an excellent response from the United States market. Currently the company has in excess of 200 Computers working for the production activity. The Company's foreign collaborator Apex Data Services Inc (APEX) have indicated that the order book in respect of the company's installed capacity is full for the next three years. This includes several multi-year contracts. APEX LOGICAL DATA CONVERSION LTD., a subsidiary in which your company proposes to hold 80% stake has started commercial production in April, 1999 and has met with high levels of product acceptance in U.S.A.

4. INTERNET SERVICES :

Your Company had started an Internet Web Hosting and Designing Services Division in July, 1997. This division met with a good response and has become a leading Web presence provider in Gujarat with more than 250 clients. To give a further boost to this business and also to improve the profit centre focus, it was decided to transfer this business to a Subsidiary company namely **ACE INFOWAY LIMITED (AIL)**, in which your company holds **80% Shares**. AIL has the distinction of having hosted a very prestigious site of GUJARAT HIGHER SECONDARY BOARD for presenting results of HIGHER SECONDARY EXAMINATION conducted by the Board and the site was inaugurated by Hon'ble Chief Minister of Gujarat Shri Keshubhai Patel. Also on the anvil are two orders for web-sites from international clients.

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

Your company has given priority to conservation of energy and technology absorption. The company has entered into a technical collaboration with M/s. Apex Data Services Inc., U.S.A. The process of technology absorption for software of Database Creation has been completed.

Your company has earned foreign-exchange by exporting software to U.S.A., the particulars of which are as follows :

EXPORTS IN US \$
5,76,543.84

RUPEES IN '000
24223.03

