

SEVENTH ANNUAL REPORT 2000-2001



Ace Software Exports Limited

BOARD OF DIRECTORS

VIKRAM B. SANGHANI
Jt. Managing Director
SANJAY H. DHAMSANIA
Jt. Managing Director
JAY B. SANGHANI
BIPIN V. PATEL
RAHUL J. KALARIA
SHYAMAL D. SHETH
DHARAMSHIBHAI R. VADALIYA

COMPANY SECRETARY
N. I. THOMAS

AUDITORS

KALARIA & SAMPAT
Chartered Accountants

Report  Junction.com

BANKERS

BANK OF BARODA

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 Seventh Annual General Meeting of ACE SOFTWARE EXPORTS LIMITED will be held at E01, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot on **TUESDAY, 25th SEPTEMBER, 2001** at 11:00 Hours to transact the following ordinary business :

1. To receive, consider and adopt the Audited Balance sheet as at 31st MARCH, 2001 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint a director in place of Shri Vikram B. Sanghani who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Sanjay H. Dhamsania who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To declare dividend on Equity Shares.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT subject to provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchange at Ahmedabad."

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

"RESOLVED THAT Mr. Shyamal Sheth who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 in the Board Meeting held on 14th August, 2001 and who holds office upto the date of Eighth Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received proposing Mr. Shyamal Sheth a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Dharamshibhai R. Vadaliya who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 in the Board Meeting held on 14th August, 2001 and who holds office upto the date of Eighth Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received proposing Mr. Dharamshibhai R. Vadaliya a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (the "Act") and other applicable Rules, Regulations and Guidelines, if any,

and subject to consent of the shareholder in the Annual General Meeting of the Company and such other consents and approvals if any, required including those of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Financial Institutions and/or Central Government, the Board of Directors of the Company be and are hereby authorised to offer issue and allot warrants which shall be converted into Equity shares at the future dates to the persons listed below on preferential basis."

SR.NO.	NAME OF PROPOSED ALLOTEE	NO. OF WARRANTS
1.	VIKRAM B. SANGHANI	1,25,000
2.	JAY B. SANGHANI	75,000
3.	BHUPATBHAI C. SANGHANI	75,000
4.	BINA V. SANGHANI	25,000
5.	SANJAY H. DHAMSANIA	1,50,000
6.	HARILAL T. DHAMSANIA	75,000
7.	JAMKUVAR BEN H. DHAMSANIA	75,000
8.	HARSHA R. KALARIA	30,000
9.	KHYATI S. KALARIA	30,000
10.	PUSHPABEN J. KALARIA	10,000
11.	JAYANTILAL B. KALARIA	10,000
12.	RAHUL J. KALARIA	10,000
13.	SHAUNAK J. KALARIA	10,000
TOTAL :		7,00,000

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to take all actions as are necessary to give effect to and implement the above resolution and accept such changes or modifications, as may be reasonably necessary, in giving effect or implementing the above resolution and to resolve any matters or difficulties arising from or incidental to giving effect to or implementation of the foregoing resolution.

FOR & ON BEHALF OF THE BOARD,

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

RAJKOT, 18th AUGUST, 2001

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 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. The register of members and share transfer books of the company will remain closed from 4th September, 2001 to 25th September, 2001 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, is given below and forms part of the Notice.
4. Members are requested to intimate to the Company changes, if any, in their Registered Address alongwith Pin Code Numbers. Members whose shareholding is in the electronic mode are requested to intimate change of address to their respective Depository Participants.
5. The certificate from Auditor certifying that issue for Preferential Allotment of warrants is being made in accordance with the requirements of Securities Exchange Board of India (preferential issues) guidelines, is available for inspection by members at the Annual General Meeting.
6. The dividend, as recommended by the Board, if approved at the Annual General Meeting will be payable to those members whose name appears in The Register of the Members on 4th September, 2001.



Ace Software Exports Ltd.**Explanatory Statement : Pursuant to Section 173 of the Companies Act, 1956**

The following are the material facts relating to item No. 6, 7, 8 & 9 of the accompanying Notice :

ITEM NO. : 6

Presently, the Company's securities are listed at the following three Stock Exchanges in India :

The Stock Exchange - Mumbai (BSE)

The Stock Exchange - Ahmedabad (ASE)

The Saurashtra Kutch Stock Exchange - Rajkot (SKSE)

With the extensive networking of Stock Exchange, Mumbai (BSE) and the extension of BSE terminals to other cities as well investors have access to online dealings in Company's Securities across the country. The bulk of trading in Company's equity shares takes place on the BSE.

The Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) as specified for settlement only in Dematerialised form by all investors since the 30th October, 2001.

It is also observed that the listing fee paid to the other Stock Exchange is disproportionately higher and as stated herein, the trading volume and liquidity are very low compared to BSE.

As a part of cost reduction measures the Company has proposed this resolution which will enable it to delist its equity shares from the Stock Exchange - Ahmedabad at an appropriate time in the future. The actual timing of such a move will depend upon future development regarding integration of Stock Exchanges across the country, growth in the volume of trading in different exchanges, etc.

In line with Securities and Exchange Board of India (SEBI) Regulations and approval, if any required, member's approval is being sought by Special Resolution for enabling voluntary delisting of its securities from the said other Stock Exchanges. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your director recommend the Special Resolution for approval of members.

None of the directors of the Company are, in any way, concerned or interested in the resolution.

ITEM NO. : 7

Mr. Shyamal Sheth was appointed as an Additional Director of the Company on 14th August, 2001 as per the provision of Section 260 of the Companies Act, 1956. Mr. Shyamal Sheth holds office as an Additional Director until the ensuing Annual General Meeting. The Company has received a Notice in writing from a member proposing his candidature as a Director liable to retire by rotation in terms of Section 257 of the Act.

None of the Directors except Mr. Shyamal Sheth is interested in the said resolution.

ITEM NO. : 8

Mr. Dharamshibhai R. Vadaliya was appointed as an Additional Director of the Company on 14th August, 2001 as per the provision of Section 260 of the Companies Act, 1956. Mr. Dharamshibhai R. Vadaliya holds office as an Additional Director until the ensuing Annual General Meeting. The Company has received a Notice in writing from a member proposing his candidature as a Director liable to retire by rotation in terms of Section 257 of the Act.

None of the Directors except Mr. Dharamshibhai R. Vadaliya is interested in said resolution.

ITEM NO. : 9

The promoters wish to increase their stake in the company's shareholding at the present time. The board has decided to offer and issue warrants to be converted into equity shares within a period of 18 months to the persons name herein after.

Information and Disclosures as contemplated under provision (ii) to the regulation 3(c) of chapter I of the SEBI (Substantial Acquisition of Shares and takeover) Regulations, 1997.

Proposed allottee of the Warrants :

Promoters & their relatives.

Sr.No.	Name of proposed allottee	Rs. In Lacs
1.	VIKRAM B. SANGHANI	12.50
2.	JAY B. SANGHANI	7.50
3.	BHUPATBHAI C. SANGHANI	7.50
4.	BINA V. SANGHANI	2.50
5.	SANJAY H. DHAMSANIA	15.00
6.	HARILAL T. DHAMSANIA	7.50
7.	JAMKUVARBEN H. DHAMSANIA	7.50
8.	HARSHA R. KALARIA	3.00
9.	KHYATI S. KALARIA	3.00
10.	PUSHPABEN J. KALARIA	1.00
11.	JAYANTILAL B. KALARIA	1.00
12.	RAHUL J. KALARIA	1.00
13.	SHAUNAK J. KALARIA	1.00

TOTAL : 70.00

Present & Proposed shareholding pattern and the change in voting rights of the allottees :

	PRESENT	PROPOSED (in %)
1. VIKRAM B. SANGHANI	6.684	8.056
2. JAY B. SANGHANI	3.888	4.726
3. BHUPATBHAI C. SANGHANI	2.280	3.316
4. BINA V. SANGHANI	0.132	0.554
5. SANJAY H. DHAMSANIA	6.898	8.682
6. HARILAL T. DHAMSANIA	4.294	5.082
7. JAMKUVARBEN H. DHAMSANIA	1.624	2.740
8. HARSHA R. KALARIA	0.600	1.053
9. KHYATI S. KALARIA	0.600	1.053
10. PUSHPABEN J. KALARIA	1.000	1.053
11. JAYANTILAL B. KALARIA	1.400	1.404
12. RAHUL J. KALARIA	0.700	0.789
13. SHAUNAK J. KALARIA	0.622	0.721

The terms relating to the Price, conversion and other allied matters are as set out hereunder.

Price at Which the Warrants are proposed to be issued:

The Price of the above Warrants shall be Rs. 10/- per warrant which is as per the SEBI Guidelines on preferential issue.

The allottees of the above warrants shall be liable to deposit 10 % of the warrant amount i.e. Rs. 7 Lacs on or before 24/12/2001.

Purpose and Reason for such allotment :

The promoters wish to increase their stake in the company's shareholding at the present time. The board has decided to offer and issue warrants to be converted into equity shares within a period of 18 months to the persons name herein after.

Consequential changes, if any, in the Board of Directors of the Company:

There will not be any change in the Board of Directors or in the Management of the Company.

Whether there will be any change in the control over the company :

There will not be any change in the control and management of this Company.

CONVERSION:

Each warrant shall be converted into one equity share of Rs. 10/- each fully paid on payment of the balance amount due on the warrants on or before 18 months from the date of allotment of warrants.

In case of non payment of remaining money the warrants shall be liable to forfeit in the manner as prescribed in Articles 47 to 54 of the Articles of Association of the Company.

Mr. Vikram B. Sanghani, Mr. Sanjay H. Dhamsania, Mr. Jay B. Sanghani and Mr. Rahul J. Kalaria who are the proposed allottees may be deemed to be interested in the above resolution. Mr. Bipinchandra V. Patel, Director of the Company may be deemed to be interested to the extent of his relationship with the proposed allottee.

The Securities and Exchange Board of India (Preferential issues) Guidelines dated 04/08/1994 will be complied with to the extent applicable.

No other Director of the Company is concerned or interested in the resolution.

FOR & ON BEHALF OF THE BOARD,

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

RAJKOT, 18th AUGUST, 2001

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting their **SEVENTH ANNUAL REPORT** together with the Audited Statement of Accounts of your Company for the year ended on **31st MARCH, 2001**.
(Rs. In Lacs)

01 FINANCIAL RESULTS : 31/03/2001 31/03/2000 CHANGE%

Income from Operations & other income	528.24	378.65	39.51
Profit before Depreciation, write-offs and taxation	188.17	143.42	31.20
Less : Depreciation & write-offs	47.74	41.56	14.87
Provision for tax	4.00	1.25	220.00
Profit after tax	136.43	100.61	35.60
Amount of appropriation			
Dividend including tax thereon	55.10	—	100.00
General Reserve	25.00	25.00	—
Carried to next year	56.33	75.61	(25.50)
Earnings per share	2.73	2.01	35.82

02 GROUP HIGHLIGHTS :

Group Turnover of Ace Software Exports Ltd. alongwith its subsidiaries Apex Logical Data Conversion Ltd. and Ace Infoway Ltd. has shown an increase of 47% and for profit after tax 54% as may be seen from table given below :

	2000-2001		1999-2000	
	(Rs. In Lakhs)		(Rs. In Lakhs)	
	Income	Profit	Income	Profit
Ace Software Exports Ltd.	528.24	136.43	378.65	100.61
Apex Logical Data Conversion Ltd.	173.27	21.91	97.58	2.55
Ace Infoway Ltd.	31.57	0.62	23.96	0.31
Total	733.08	158.96	500.19	103.47
Growth Over Previous Year	47%	54%		

03 DIVIDEND :

The Board of Directors are pleased to recommend a dividend of 10% on Equity Shares.

04 PERFORMANCE :

The company has been able to achieve 33% growth in sales and 35.60% growth in Profits as compared to last year. The Company's new undertaking under the Software Technology Park Scheme located at Gandhinagar and Rajkot completed their first full year of operation and have registered impressive results.

05 FINANCE :

At the meeting of the Board of Directors held on 18th August, 2001 it was decided to issue and allot 7,00,000 warrants of Rs. 10 each on Preferential basis to the Promoters which shall be converted into 7,00,000 Equity Shares of Rs. 10 each fully paid-up on or before 18 months from the date of allotment of warrants.

06 DIRECTORS :

Shri Sanjay H. Dhamsania and Shri Vikram B. Sanghani retire by rotation and being eligible for re-appointment your directors recommend their re-appointment. Shri Bhupatlal C. Sanghani & Shri Harilal T. Dhamsania tendered their resignation with effect from 14th August, 2001. The Board wishes to place on record its appreciation of the valuable contributions made by Shri Bhupatlal C. Sanghani and Shri Harilal T. Dhamsania during their tenure.

The Board of Directors appointed Shri Shyamal Sheth, as an Additional Director of the company with effect from August 14, 2001. Being appointed as an Additional Director Shri Shyamal Sheth will hold office as a Director of the company upto the date of the forthcoming Annual General Meeting.

The Board of Directors appointed Shri Dharamshibhai Vadaliya, as an Additional Director of the company with effect from August 14, 2001. Being appointed as an Additional Director Shri Dharamshibhai Vadaliya will hold office as a Director of the company upto the date of the forthcoming Annual General Meeting.

07 SUBSIDIARY COMPANIES :

As required under section 212 of the Companies Act, 1956, the Annual Reports for the year 2000-01 and accounts for the year ended 31st March, 2001 of the subsidiary companies Apex Logical Data Conversion Pvt.Ltd. and Ace Infoway Ltd are attached.

08 AUDITORS :

The retiring auditors M/s. KALARIA & SAMPAT, Chartered Accountants, are eligible for re-appointment and have indicated their willingness to act as such.

09 PARTICULARS OF EMPLOYEES :

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable to the Company and hence the same is not furnished here.

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

Since the Company is engaged in Software development & CAD-CAM activities and has no activities pertaining to manufacturing, furnishing of details of conservation of energy are not applicable.

The process of technology absorption has been successfully completed.

The foreign exchange earnings of the company during the year were Rs. 51,401,632 (US\$ 1,125,445.57) while the outgoings were Rs. 599,315 (US\$ 12,376.21) (GBP 300)

11 AUDIT COMMITTEE :

Pursuant to the provisions of Section 292A of the Companies Act, 1956 an Audit Committee was formed comprising of the following Directors :

Mr. Vikram Sanghani

Mr. Bipin V. Patel

Mr. Bhupat C. Sanghani

The Audit Committee of the Board of Directors reviews, a c t s and reports to the Board with respect to various auditing and accounting matters.

Mr. Shyamal Sheth replaces Mr. Bhupat C. Sanghani who resigned on 14th August, 2001 in the audit committee for the year 2001-02.

12 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 judgements 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, 2001 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.

13 APPRECIATION :

The Directors sincerely acknowledge the significant contribution made by all the employees for their dedicated services to the Company. Your Directors also wish to acknowledge the co-operation and assistance received from Apex Data Services Inc., USA and Company's Bankers and Auditors.

FOR & ON BEHALF OF THE BOARD,

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

RAJKOT, 21ST JULY, 2001



Ace Software Exports Ltd.**AUDITORS' REPORT**

To,
The Members of
Ace Software Exports Limited,

We have audited the attached Balance Sheet of **ACE SOFTWARE EXPORTS LIMITED** as at **MARCH 31, 2001** and the Profit & Loss Account for the year ended on that date, annexed thereto, and report that :

- 1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above, 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 accounts as required by law have been kept by the company so far as appears from our examination of the books;
 - 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 Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion, and based on information and explanations given to us, none of the Directors are disqualified as on 31st March, 2001 from being appointed as directors in terms of 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 the explanations given to us, the said Balance Sheet and Profit & Loss Account together with the notes attached thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet, of the state of affairs as at **MARCH 31, 2001** and
 - ii) In the case of Profit & Loss Account of the Profit of the company for the financial year ended on that date.

FOR KALARIA & SAMPAT
CHARTERED ACCOUNTANTS

ATUL M. KALARIA
PARTNER

RAJKOT, JULY 21st, 2001

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in paragraph 1 of the Auditors' Report to the members of **ACE SOFTWARE EXPORTS LIMITED** for the year ended **MARCH 31, 2001**, we report that **FIXED ASSETS** :

- 01) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets and they have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed between the book records and the physical verification.
- 02) None of the fixed assets have been revalued during the year.

INVENTORIES :

- 03) Inventories have been physically verified by the management at reasonable intervals.
- 04) The procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- 05) No material discrepancies have been noted on physical verification of stocks as compared to book records.
- 06) On basis of examination and explanations given to us, we are of the opinion that the valuation of inventories is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- 07) In our opinion and according to information and explanations given to us, there are no unserviceable or damaged stores.
- 08) According to the information and explanations given to us the operation of the Company does not generate any by-products or scrap.
- 09) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the company.

LOANS AND ADVANCES :

- 10) The company has not taken loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956
- 11) The company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, where the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interests of the company.
- 12) The parties to whom loans and advances in the nature of loans have been granted by the Company are generally repaying the principal amounts and interest thereon, where applicable, as per stipulations, where such stipulations exist.

INTERNAL CONTROL :

- 13) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business.
- 14) In our opinion and according to information and explanation given to us, in respect of the service activities, the company, commensurate with size and nature of its business, has a reasonable system of :
 - i) recording receipts, issue and consumption of stores and allocating stores consumed to relative jobs,
 - ii) allocating manhours utilised to relative jobs,
 - iii) authorisation at proper levels, on issue of stores and allocation of stores and labour to relative jobs.
- 15) The Company has an internal audit system commensurate with its size and nature of its business.

RELATED PARTIES :

- 16) According to information and explanations given to us there are no transaction of purchase and sale of goods, materials and services made in pursuance of contracts or agreements entered in the register maintained Under Section 301 of the Companies Act, 1956.

FIXED DEPOSITS :

- 17) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A of the Companies Act, 1956 with regard to the deposits accepted during the year.

STAFF WELFARE :

- 18) The company is regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.

TAXATION :

- 19) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at March 31, 2001 which were outstanding for a period of more than six months from the date they became payable.
- 20) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practices.

OTHERS :

- 21) The company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

FOR KALARIA & SAMPAT
CHARTERED ACCOUNTANTS

ATUL M. KALARIA
PARTNER

RAJKOT, JULY 21st, 2001



Ace Software Exports Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2001

PARTICULARS	SCHEDULE	31.03.2001	(in Rs.) 31.03.2000
I. SOURCES OF FUNDS :			
(1) Shareholder's Funds :			
(a) Share Capital	1	50,000,000	50,000,000
(b) Reserves & Surplus	2	33,643,439	25,472,313
(2) Loan Funds :			
(a) Secured Loans	3	-	3,934,307
(b) Unsecured Loans	4	2,693,853	3,422,630
		<u>86,337,292</u>	<u>82,829,250</u>
II. APPLICATION OF FUNDS :			
(1) Fixed Assets :	5		
Gross Block		40,967,395	39,464,908
Less : Depreciation		<u>12,720,743</u>	<u>10,240,356</u>
(a) Net Block		28,246,652	29,224,552
(2) Investments	6	8,907,602	2,798,800
(3) Current Assets, Loans & Advances :	7		
(a) Inventories		10,777,981	10,503,059
(b) Cash & Bank Balances		11,045,319	9,971,340
(c) Loans and Advances		<u>40,991,934</u>	<u>32,090,899</u>
		62,815,234	52,565,298
Less : Current Liabilities & Provisions :			
(a) Current Liabilities	8	8,841,598	4,107,715
(b) Provisions		<u>6,994,076</u>	<u>814,091</u>
		15,835,673	4,921,806
Net Current Assets		46,979,560	47,643,492
(4) Miscellaneous Expenditure : [To the extent not written off or adjusted]	9	2,203,478	3,162,406
		<u>86,337,292</u>	<u>82,829,250</u>
NOTES TO ACCOUNTS	14		

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTSATUL M. KALARIA
PARTNER

RAJKOT, 21st July, 2001

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTORSANJAY H. DHAMSANIA
JT.MANAGING DIRECTORN. I. THOMAS
COMPANY SECRETARY

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

PARTICULARS	SCHEDULE	31.03.2001	(in Rs.) 31.03.2000
I. INCOME :			
Sales & Services	10	51,816,326	39,016,276
Other Income	11	732,942	276,073
Stock Variance		274,922	(1,427,348)
		<u>52,824,190</u>	<u>37,865,001</u>
II. EXPENDITURE :			
Operating Expenses	12	24,532,041	17,187,531
Administrative Expenses	13	9,474,710	5,349,367
Interest		-	985,777
Depreciation		3,815,310	3,197,235
Miscellaneous Expenses Written Off		<u>958,928</u>	<u>958,928</u>
		38,780,988	27,678,837
Profit before tax		14,043,202	10,186,163
Less : Provision for tax		400,000	125,000
Profit after tax		13,643,202	10,061,163
Add : Profit & Loss Account B/fd. from last year		18,596,944	11,033,934
Excess Provision for Income Tax 98-99 Written Back		<u>37,924</u>	<u>1,847</u>
		18,634,868	11,035,781
AMOUNT AVAILABLE FOR APPROPRIATION :		<u>32,278,070</u>	<u>21,096,944</u>
Dividend @ Rs.1/- per equity share of Rs.10/-each		5,000,000	
Tax on Distribution of Dividend		510,000	
Transfer to General Reserve		2,500,000	2,500,000
Balance Carried Forward to Balance Sheet	14	24,268,070	18,596,944

NOTES TO ACCOUNTS

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,
CHARTERED ACCOUNTANTSATUL M. KALARIA
PARTNER

RAJKOT, 21st July, 2001

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI
JT.MANAGING DIRECTORSANJAY H. DHAMSANIA
JT.MANAGING DIRECTORN. I. THOMAS
COMPANY SECRETARY