

# **NINTH ANNUAL REPORT 2002-2003**



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**Ace Software Exports Limited**

## BOARD OF DIRECTORS

VIKRAM B. SANGHANI

Jt. Managing Director

SANJAY H. DHAMSANIA

Jt. Managing Director

DHARAMSHIBHAI R. VADALIYA

VIMAL KALARIA

SHYAMAL SHETH

## COMPANY SECRETARY

N. I. THOMAS

## AUDITORS

KALARIA & SHARPAT

Chartered Accountants

## BANKERS

BANK OF BARODA

HDFC BANK

## FOREIGN COLLABORATORS

APEX DATA SERVICES INC.,  
U.S.A.

## REGISTERED OFFICE

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



**ACE SOFTWARE EXPORTS LIMITED****REGD.OFFICE :****801,EVEREST COMM.COMPLEX,OPP.SHASTRI MAIDAN, RAJKOT - 360 001.****PROXY FORM****Ninth Annual General Meeting - 25th AUGUST 2003**

DP. Id\* .....

Client Id\* .....

Reg.Folio No. ....

I/We .....

of ..... in the district of .....

..... being a member/members of the abovenamed company hereby appoint

..... of ..... in the district of

..... or failing him ..... of

..... in the district of .....

as my/our proxy to vote for me/us on my/our behalf at the NINTH ANNUAL GENERAL MEETING of the Company to be held on 25th AUGUST, 2003 and at any adjournment thereof.

**Affix a 30  
Paise  
Revenue  
Stamp**

Signed this ..... day of ..... 2003

**\* Applicable for investors holding shares in electronic form.****Note :** (1) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company, not less than 48 hours before the meeting.

The Proxy need not be a member of the Company.

(2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

**ACE SOFTWARE EXPORTS LIMITED****REGD.OFFICE :****801,EVEREST COMM.COMPLEX,OPP.SHASTRI MAIDAN, RAJKOT - 360 001.****ATTENDANCE SLIP****Ninth Annual General Meeting - 25th AUGUST 2003**

DP. Id\* .....

Client Id\* .....

Reg.Folio No. ....

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the NINTH ANNUAL GENERAL MEETING of the company at 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot - 360 001 at 11-00 hours on 25th AUGUST, 2003.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Sign

**Note :** Please fill in this attendance slip and hand it over at the MEETING PLACE**\* Applicable for investors holding shares in electronic form.**

**ACE SOFTWARE EXPORTS LIMITED**

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

Tel: 95(0281) 2226097, 2693282 Fax: 95(0281) 2232918

Dear Shareholder(s),

**NOTICE OF POSTAL BALLOT  
(PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956)**

According to section 77A of the Companies Act, 1956, buy-back of shares by the Company requires the approval of the shareholders by way of a special resolution. The Company proposes to buy-back its equity shares extent and at the maximum price as mentioned in the special resolution under item no. 8 in the notice. Similarly, detailed and specific disclosures setting out all material facts as required under Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 are provided in the explanatory statement appended to notice.

As per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the consent of the shareholders for the above purpose is required to be obtained by means of postal ballot. Accordingly said draft Special Resolution under item no. 8 to the notice and the Explanatory Statement with reference thereto are being sent to you along with a Postal Ballot Form for your consideration and doing the needful. The company has appointed Mr Umesh Ved, Practising Company Secretary as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the postal Ballot Form and return the form duly completed, in the attached self addressed postage pre-paid envelope so as to reach the scrutinizer on or before 22nd August, 2003. The Scrutinizer will submit his report to the Chairman after completion of the Scrutiny and the results of the postal ballot will be announced by the Chairman on 25th August, 2003 at the Annual General Meeting to be held at 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS****VIKRAM B. SANGHANI**  
JT. MANG. DIRECTOR**SANJAY H. DHAMSANIA**  
JT. MANG. DIRECTOR

RAJKOT, JULY 4th, 2003



# ACE SOFTWARE EXPORTS LIMITED

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

Tel: 95(0281) 2226097, 2693282 Fax: 95(0281) 2232918

## POSTAL BALLOT FORM

- (1) Name(s) of Shareholder(s)  
(in block letters)  
including Joint-holders, if any
- (2) Registered Address of the Sole  
/First named Shareholder
- (3) Registered Folio No./  
DPID No./ Client ID No.
- (4) No. of Shares held
- (5) I/We hereby exercise my/our vote in respect of the Special Resolution to be passed under Section 77A; 77AA and 77B of the Companies Act, 1956 through Postal Ballot for the business stated in the Notice of the Company dated 4th July, 2003 by sending my/ our assent or dissent to the Special Resolution contained therein by placing the tick (✓) mark at the appropriate box below.

(Ticks in both the boxes would render your Ballot Form invalid)

Item No.	Description	No. of Shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	To consider Buyback of Equity shares to the extent of 25% of the paid up capital of the company.			

Place :

Date :

(Signature of the Shareholder)

## INSTRUCTIONS :

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer at the address of the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expense of the Registered Shareholder will also be accepted.
2. The self-addressed envelope bears the name & address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
4. Shareholders holding shares in Dematerialised form are advised, in their own interest, to get their signatures verified by their Banker/ Depository Participant (DP). Signatures should be verified by the Manager of the concerned Banker/DP by affixing a rubber stamp/ seal mentioning name and address of the Bank/ DP and name, stamp and signature of the Manager.
5. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/ Authority together with attested specimen signature(s) of the duly authorized signatory/ies.
6. Unsigned Postal Ballot Form will be rejected.
7. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on Friday, the 22<sup>nd</sup> August, 2003. All Postal Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.
8. Postal Ballot shall not be exercised by a Proxy.
9. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders on the date of dispatch of the Notice.
10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope addressed to the Scrutinizer as the Company will have no occasion to act on the same.





## ANNEXURE TO THE REPORT OF THE DIRECTORS

### CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of Ace Software Exports Ltd.,

We have examined the compliance of conditions of Corporate Governance by Ace Software Exports Ltd., for the year ended 31<sup>st</sup> March, 2003 as stipulated in clause 49 of the Listing Agreements of the said company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2003, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/investors Grievances Committee.

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

**For KALARIA & SAMPAT**  
Chartered Accountants

**Atul Kalaria**  
Partner

Rajkot, 16<sup>th</sup> June, 2003





## NOTICE

**NOTICE IS HEREBY GIVEN** that the Ninth Annual General Meeting of **ACE SOFTWARE EXPORTS LIMITED** will be held at 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot on **MONDAY, 25<sup>th</sup> AUGUST, 2003** at 11:00 Hours to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> MARCH, 2003 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 Dharmshibhai R. Vadaliya, 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.

**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** Mr. Shyamal D. Sheth who was appointed as an Additional Director under section 260 of the Companies Act, 1956 in the Board Meeting held on 26<sup>th</sup> February, 2003 and who holds office up to the date of Ninth 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."

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

**"RESOLVED THAT** Mr. Vimal Kalaria who was appointed as an Additional Director under section 260 of the Companies Act, 1956 in the Board Meeting held on 26<sup>th</sup> February, 2003 and who holds office up to the date of Ninth Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received proposing Mr. Vimal Kalaria 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."

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

**"RESOLVED THAT** pursuant to Section 31 and all applicable provisions of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as follows:

i) After Article 9, new Article 9A shall be inserted

'Subject to the provisions of section 77A, 77AA and 77B of the Companies Act, 1956 and all other applicable provisions of Securities and Exchange Board of India Act, 1992 and rules, regulations and guidelines there under, Company may acquire, purchase or buy-back its own shares or other specific securities out of its free reserve or securities premium accounts or the proceeds of any shares or other specified securities.'

ii) After Article 109A, new Article 109B shall be inserted.

'Notwithstanding anything contained in the Articles of Association of the Company, the Company shall pass a resolution by the members of the Company by means of postal ballot relating to such business as the Central Government may prescribe from time to time in this behalf and shall comply with the procedure for postal ballot or other methods prescribed under the Act and rules framed there under'.

iii) In Article 192(a), the number 42 where ever it appears be substituted by the number 30

iv) Article 192(b), be substituted by the following article:

'Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education & Protection Fund.

8. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

**"RESOLVED THAT** pursuant to the provisions of section 77A, 77AA and 77B of the Companies Act, 1956 and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1988 (hereinafter referred to as "SEBI Regulations") and other applicable laws and regulations, if any, the Company do purchase / buy-back out of free reserves or securities premium account or partly out of free reserves and partly out of securities premium account or out of the proceeds of any shares or securities, provided that such buy back shall not be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities, up to 14,25,000 equity shares of the Company of the face

value of Rs. 10/- representing 25% of the total number of equity shares comprised in the paid up share capital of the Company from the holders of the equity shares or from the open market at such a price not exceeding Rs. 10/- per share so that aggregate value of buy back does not exceed Rs.142.50 lacs.

**RESOLVED FURTHER THAT** the Board of Directors of the Company may constitute and nominate a committee of personnel and such committee be and is hereby authorized:

a) To determine and fix the appropriate time, the price, not being a price higher than the maximum price specified hereinabove for the proposed buy-back of shares;

b) To adopt any one of the methods of buy-back, referred to in sub-regulation (1) of regulation 4 of the SEBI regulations or any combination thereof namely,

i) From the existing shareholders on a proportionate basis through the tender offer; or

ii) From open market through -

(1) book building process or

(2) stock exchange;

c) To complete the buy-back in one or more tranche/s, if so permissible under the SEBI regulations to such an extent as the Board of Directors and/or the Committee of personnel so appointed may deem fit within the overall value limit and price limit as specified.

d) To take all appropriate steps under SEBI regulations and all other applicable laws and regulations including appointments of merchant bankers and any other intermediaries, opening of an escrow and special bank accounts and finalising public announcements and such other documents as may be relevant.

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the board to purchase / buy back any shares except as provided under the SEBI Regulations and in the manner and during the period prescribed therein."

9. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** the Company do sell 34,200 Equity shares of Rs. 10 each of Apex Logical Data Conversion Pvt. Ltd. to Mr. Vikram Sanghani & his relatives at Rs. 38.93 each.

10. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** the Company do sell 34,200 Equity shares of Rs. 10 each of Apex Logical Data Conversion Pvt. Ltd. to Mr. Sanjay Dhamsania at Rs. 38.93 each.

11. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** the Company do sell 11,400 Equity shares of Rs. 10 each of Apex Logical Data Conversion Pvt. Ltd. to Mr. Rahul Kalaria & his relatives at Rs. 38.93 each.

12. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** the company do acquire 190 shares of Rajkot Computer Education Private Limited from Mr. Vikram B. Sanghani and his relatives at a price of Rs. 7492/- each.

13. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** the company do acquire 190 shares of Rajkot Computer Education Private Limited from Mr. Sanjay Dhamsania and his relatives at a price of Rs. 7492/- each.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS,**

**VIKRAM B. SANGHANI**  
JT. MANG. DIRECTOR

**SANJAY H. DHAMSANIA**  
JT. MANG. DIRECTOR

RAJKOT, JULY 4th, 2003





## 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. Members are requested to communicate immediately change in their address, if any.
3. The Registry of Members and Share Transfer Book will remain closed from 18<sup>th</sup> August 2003 to 25<sup>th</sup> August, 2003 (Both days inclusive).
4. Members are requested to send all their communications relating to shares to the registrar of the company M/s. Intime Spectrum Registry Ltd. Situated at 211-Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad - 380 009.
5. The Company has already transferred unclaimed dividend for the year ended 31<sup>st</sup> March, 1996 to the Investor Education and Protection Fund (IEPF).
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March, 1997 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to 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
31.03.1997	25.09.1997	24.09.2004
31.03.1998	25.09.1998	24.09.2005
31.03.2001	25.09.2001	24.09.2008
31.03.2002	25.09.2002	24.09.2009

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 claims.

Explanatory statement as required under Section 173(2) of the Companies Act, 1956.

**Item No. 5**

Mr. Shyamal D. Sheth was appointed as an Additional Director of the Company on 26<sup>th</sup> February, 2003 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. 6**

Mr. Vimal Kalaria was appointed as an Additional Director of the Company on 26<sup>th</sup> February, 2003 as per the provision of Section 260 of the Companies Act, 1956. Mr. Vimal Kalaria 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. Vimal Kalaria is interested in the said resolution.

**Item No. 7**

The Companies (Amendment) Act, 2000 has introduced new provisions regarding buy back of shares, postal ballots and dividend rules requiring alteration in the Articles of Association of the Company as follows:

- i) Section 77A of the Companies Act, 1956 requires buy back of shares to be authorized by the Articles of Association of the Company. As Company is planning to buy-back its own shares, it is necessary to alter / amend Articles of Association of Company to have authority to buy-back its own shares.
- ii) In accordance with the provisions of Section 192A of the Companies Act, 1956, certain businesses / resolutions related to such business as Central Government may notify from time to time are to be conducted / passed only by postal ballot instead of transacting the business in the General Meeting. The Articles of Association are to be amended to insert new Article authorising Company to pass the resolution by postal ballot.
- iii) In accordance with the provisions of Section 205-A any monies which remains unpaid or unclaimed after 30 days of declaration of the dividend, the

company shall, within seven days of the expiry of the said period of thirty days transfer the total amount of dividend to a special account to be opened by the company in that behalf in any scheduled bank, to be called Unpaid Dividend account of Ace Software Exports Ltd. The Articles of Association are to be amended to insert the number of days as 30 in place of 42 days.

iv) In accordance with the provisions of Section 205-A, any money transferred to the unpaid dividend account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of transfer shall be transferred by the company to the Investor Education & Protection Fund established under sub-section (1) of section 205-C. The Articles of Association are to be amended so as to transfer the unpaid or unclaimed dividend remaining unpaid for a period of seven years to the said Fund.

None of the Directors are concerned or interested in passing of this resolution.

**Item No. 8**

The Companies (Amendment) Act, 2000 has permitted Companies to buy-back their own shares, subject to the condition prescribed under the Act. In case of listed Company like ours, the Securities and Exchange Board of India (SEBI) has prescribed guidelines under SEBI (Buy Back of Securities) Regulations, 1998 for Companies to buy-back its own shares. One of the requirements is to provide information in the explanatory statement in accordance with Schedule I attached to SEBI (Buy Back of Securities) Regulations, 1998, which are as follows:

1. The Board of Directors of the Company in their meeting held on 2<sup>nd</sup> July, 2003 has approved the proposal for Buy back of its own fully paid up equity shares of Rs. 10/- each.
2. The buy-back of equity shares is proposed to maximize return to investors, enhance overall shareholder value and further improve financial ratios.
3. The Company proposes to buy back its shares from open market through stock exchanges. However, the Board of Directors is also authorized to implement buy back through any other method as permitted or any combination thereof.
4. The paid up capital of the company as per the audited results for the year ended 31/03/2003 is Rs. 507.00 Lacs comprising 50,00,000 equity shares of Rs. 10/- per share and application money to the extent of Rs. 7.00 Lacs. The company has allotted 7,00,000 equity shares of Rs. 10/- each to the promoters on conversion of warrants. The paid up capital of the company as on date is Rs. 570.00 Lacs comprising 57,00,000 equity shares of Rs. 10/- each.
5. The maximum amount proposed to be utilised for the buy back of shares shall not exceed Rs. 142.50 lacs being 13.39% of the paid-up capital and reserves of the company as on date. The above buy back amount will be financed out of company's free reserve and /or out of the securities premium account. The funds for buy back will be available from current surpluses and out of internal accruals of the Company. The amount of Rs. 142.50 lacs being 25% of the paid-up capital as on date is the overall value limit upto which the Company may buy back its own shares. However, Board of Directors and/or Committee of personnel appointed in this regard shall determine the time, the price and the amount up to which the said buy back can be undertaken.
6. The equity shares of the Company are frequently traded on The Stock Exchange, Mumbai (BSE). The average of high and low of closing prices of the equity shares on BSE during the 26 weeks period prior to the date of the Board Resolution dated 2<sup>nd</sup> July, 2003 is Rs.6.43 The Board of Directors of the Company have proposed the maximum price of Rs. 10/- per share up to which shares may be bought back by the Company. However the same will be decided by Board of Directors in the best interest of the Company.
7. The Board of Directors of your Company have proposed to buy back upto 14,25,000 equity shares of the face value of Rs. 10/- each representing 25% of total paid-up equity shares of the Company as on date. However, the extent of such buy back shall be determined by the Board of Directors and/or Committee of personnel appointed and authorized for the said purpose.
8. a) The aggregate shareholding of the promoters of the Company and/or person who are in control of the Company as on the date of notice convening the Annual General Meeting is 27,31,925 equity shares of Rs. 10/- each aggregating 47.93 % of the issued and paid up capital of the Company as on date.  
b) Aggregate number of equity shares purchased or sold by person including persons mentioned in (a) above during a period of six months preceding the date of the Board Meeting at which the buy back was approved from date till date of notice convening the Annual General Meeting.

Name of the promoter/Person Acting in Concert	No. of Equity Shares	Nature of Transaction
Vikram B. Sanghani	4140	Market Purchase
7,00,000 equity shares of Rs.10/- each were allotted to the promoters for cash at par on conversion of warrants.		



c) The maximum and minimum price at which purchases and sales referred to in (b) above were made along with the relevant dates.

Sr No.	Nature of transaction	Maximum Price per share	Date	Minimum Price per share	Date
1	Purchase	6.80	03.01.2003	5.80	20.02.2003
2	Sale	Nil		Nil	

d) The holding of promoters and/or persons in control of the Company as mentioned at (a) above will be 63.90 % of post buy back equity capital after completion of said buy back to the maximum permissible extent of 25%.

9. The promoters, and/or persons in control, of the Company, and /or their associates, and/or persons acting in concert with them, will not offer their shares to the Company under the proposed buy back of share by the Company.
10. The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
11. The Board of Directors of the Company confirm that it has made the necessary and full inquiry into the affairs and prospects of the Company and the Board of Directors have formed the opinion that:
  - a) Immediately following the date on which the general meeting is convened, there will be no grounds on which the Company could be found unable to pay its debts;
  - b) As regards its prospects of the year immediately following the date of the general meeting, having regard to their intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the view of the Board of Directors be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Annual General Meeting.
  - c) In forming their opinion for the above purposes, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).
12. As per the provisions of the Act, the special resolution passed by the shareholders approving the share Buy-Back will be valid for a maximum period of twelve months from the date of passing of the special resolution (or such extended period as may be permitted under the Act or the Regulations or by the appropriate authorities).
13. In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled.
14. The Company's total debt equity ratio, after the share Buy-back, will be well below the maximum limit of 2: 1 specified in law.
15. In accordance with the provisions of the Act, the Company will not be entitled to make a fresh offering of equity shares, of this class, for a period of 6 months from the date of completion of this share Buy-back programme except in cases/ circumstances referred to in sub-section (8) of Section 77A of the Act.
16. The text of the Report dated 3<sup>rd</sup> July, 2003 received from M/s. Kalaria & Sampat, Chartered Accountants of the Company addressed to the Board of Directors of the Company is reproduced below:  
 "In connection with the proposal of Ace Software Exports Limited ("the Company") to Buy back its shares and in pursuance of the provisions of Section 77A and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, we have examined the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2003, subsequent allotment of equity shares on 9<sup>th</sup> May, 2003 and the relevant records, ratios, analysis, reports and according to the information and explanations given to us and on the basis of such verification of records as we considered appropriate, we report that:-  
 We have enquired into the state of affairs of the Company. In our opinion, the amount of maximum permissible capital, being Rs. 142.50 lacs which is 25% of the total paid-up capital of the Company and 13.39% of the total paid up capital and free reserves of the Company for the shares to be bought back, is properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956.  
 The Board of Directors in their meeting held on 2<sup>nd</sup> July, 2003 have formed their opinion, as specified in clause (x) of Schedule I of Securities and Exchange Board of India (Buy- back of Securities) Regulations, 1998, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of 1 year from the date of Annual General Meeting of the members of the Company proposed to be held on 25<sup>th</sup> August, 2003.

17. All the material documents referred to in the Explanatory Statement such as Memorandum and Article of Association, relevant Board resolution for Buy-back of shares and the Auditors' Report on their enquiry into the state of affairs of the Company, will be made available for inspection at the Registered Office of the Company on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
18. As the proposal for Buy-back of Equity Shares will be in the interest of the Company, the Directors recommend the passing of the resolution as set out in the notice.
19. None of the Directors of the Company are, in anyway, concerned or interested in the resolution, save and except to the extent that, in like manner as for all other shareholders, their percentage holding in the post Buy-back equity share capital will proportionately stand enhanced as a result of the share Buy-back.

**Item No. 9**

The company is holding 79,800 Equity shares (79.80%) of Apex Logical Data Conversion Pvt. Ltd. which is a subsidiary of your company. The company plans to sell of its entire stake in the company in order to consolidate its operations and raise funds for its present and future business plans. Out of the above, 34,200 Equity shares are to be sold to Mr. Vikram Sanghani & his relatives at the rate of Rs. 38.93 per share. The valuation of shares has been carried out by M/s. Gandhi & Gandhi, Chartered Accountants. Except Mr. Vikram Sanghani, none of the other Directors are interested in the above resolution.

**Item No. 10**

The company is holding 79,800 Equity shares (79.80%) of Apex Logical Data Conversion Pvt. Ltd. which is a subsidiary of your company. The company plans to sell of its entire stake in the company in order to consolidate its operations and raise funds for its present and future business plans. Out of the above, 34,200 Equity shares are to be sold to Mr. Sanjay Dhamsania at the rate of Rs. 38.93 per share. The valuation of shares has been carried out by M/s. Gandhi & Gandhi, Chartered Accountants. Except Mr. Sanjay Dhamsania, none of the other Directors are interested in the above resolution.

**Item No. 11**

The company is holding 79,800 Equity shares (79.80%) of Apex Logical Data Conversion Pvt. Ltd. which is a subsidiary of your company. The company plans to sell of its entire stake in the company in order to consolidate its operations and raise funds for its present and future business plans. Out of the above, 11,400 Equity shares are to be sold to Mr. Rahul Kalaria & his relatives at the rate of Rs. 38.93 per share. The valuation of shares has been carried out by M/s. Gandhi & Gandhi, Chartered Accountants. None of the Directors are, in any way, concerned or interested in the above resolution.

**Item No. 12**

The company is presently holding 120 shares of Rajkot Computer Education Pvt. Ltd. which is 24% of the total paid up capital of the company. The company is a franchisee of NIIT Ltd. and is currently under an amicable closure process with NIIT Ltd. It is now your company's intent to acquire 100% shareholding in this company to gain a dedicated training facility for its new employees and refresher training. Further it will stand to gain a fully equipped facility with excellent human resources and ready to use infrastructure. The valuation of the shares of the company has been done by M/s. Kalaria & Sampat, Chartered Accountants at Rs. 7492 per share on net asset value basis.

Except Mr. Vikram Sanghani, none of the other Directors are interested in the above resolution.

**Item No. 13**

The company is presently holding 120 shares of Rajkot Computer Education Pvt. Ltd. which is 24% of the total paid up capital of the company. The company is a franchisee of NIIT Ltd. and is currently under an amicable closure process. It is now your company's intent to acquire 100% shareholding in this company to gain dedicated training facility for its new employees and refresher training. Further it will stand to gain a fully equipped facility with excellent human resources and ready to use infrastructure. The valuation of the shares of the company has been done by M/s. Kalaria & Sampat, Chartered Accountants at Rs. 7492 per share on net asset value basis.

Except Mr. Sanjay Dhamsania, none of the other Directors are interested in the above resolution.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS,**

**VIKRAM B. SANGHANI**  
**JT. MANG. DIRECTOR**

**SANJAY H. DHAMSANIA**  
**JT. MANG. DIRECTOR**

RAJKOT, JULY 4th, 2003

