

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:

Name of Director	Category	No. of other Director Ship	No. of memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson	No. of Board meetings attended	Whether attended last AGM	Remarks
Vikram Sanghani	Ex-Dir	10	-	-	9	Yes	
Sanjay Dhamsania	Ex-Dir	10	-	-	9	Yes	
Trupti Lele	N.Ex-IND	5	-	-	3	No	
Vimal Kalaria	N.Ex-IND	7	-	-	7	Yes	
Dharamshi Vadalia	N.Ex-IND	5	-	-	5	No	

Ex-Dir means Executive Director, N.Ex-IND means Non-Executive Independent Director.

Board Meetings

The Board of Directors met 9 times during the year 2008-09 on 04.04.08, 05.06.08, 30.06.08, 31.07.08, 21.08.08, 16.10.08, 30.10.08, 14.11.08 and 31.01.09.

3. Audit Committee:

The composition of the Audit Committee and details of the meetings as attended by the Members of the Committee are as given below:

Name	Designation	No. of Committee meetings attended
Vimal Kalaria	Chairman	4
Trupti Lele	Member	4
Dharamshibhai Vadalia	Member	4
Vikram Sanghani	Member	4

Mr. N. I. Thomas, Company Secretary, acts as the Secretary to the Committee.

The Audit Committee met 4 times during the year on 29.04.2008, 18.07.2008, 22.10.2008 and 26.01.2009.

4. Remuneration Committee:

The remuneration committee reviews and considers the matters in relation to salaries, benefits and other compensations payable to Directors and senior management personnel. The Remuneration Committee comprises of the following three Non-Executive-Independent Directors:

Name of Member	Designation	No. of Committee meetings attended
Vimal Kalaria	Chairman	2
Dharamshibhai Vadalia	Member	2
Trupti Lele	Member	2

Details of Remuneration paid to all the Directors:

The Executive directors are paid remuneration within the limit set out in the Schedule-XIII to the Companies Act, 1956 after consideration by the Remuneration Committee. The details of the remuneration paid are as under:

Name of Director	Salary (Rs.)	Medical Exp (Rs.)
Vikram Sanghani	13,50,000	15,000
Sanjay Dhamsania	13,50,000	15,000

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
Dharmshibhai Vadaliya	Chairman	Non-Exe. Independent Director
Vikram Sanghani	Member	Executive-Non Independent Director
Sanjay Dhamsania	Member	Executive-Non Independent Director

ii. Mr. N. I. Thomas, Company Secretary, has been designated as the compliance officer of the company.

iii. The Company has received 2 Complaints during the year 2008-2009 and the same have been satisfactorily attended to.

iv. No Investor complaints remained pending as on 31.03.2009.

6. General Body Meetings:

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

Date of AGM	Time	Venue	Details of Special Resolutions passed
29.09.2006	11.00 A.M.	801, "Everest" Opp. Shastri Maidan, Rajkot - 360 001	Approval for Buy-back of Shares * and under Section 293(1)(a) of the Companies Act, 1956.
25.09.2007	11.00 A.M.	801, "Everest" Opp. Shastri Maidan, Rajkot - 360 001	Approval of remuneration scale payable to both Jt. Managing Directors and under Section 394 of the Companies Act, 1956.
25.09.2008	11.00 A.M.	801, "Everest" Opp. Shastri Maidan, Rajkot - 360 001	Appointment of Smt. Trupti Lele as independent director per Sec 255 and 256 of the Company Act, 1956.

*The Special resolution approving Buy-Back of Equity shares was passed through postal Ballot in accordance with Companies (Passing of Resolutions by Postal Ballot) Rules - 2001.



7. Disclosures:

- i. Significant related party transactions:
There were no materially significant related party transactions, during the year-ended 31.03.2009 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-years and hence no penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or 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 viz. Times of India (English) and The Economic Times (Gujarati) respectively. Moreover, the Quarterly and Audited Results of the company are also displayed on the company's Website (www.acesoftex.com)

9. General Shareholders information:

i. Annual General Meeting

Date : 30th September, 2009
Time : 11.00 A.M.
Venue : 801-"Everest" Opp. Shastri Maidan, Rajkot - 1

ii. Financial Year

Tentative Schedule for the Financial Year 2009-2010:
June 30, 2009 : July 2009 (4th Week)
September 30 2009 : October 2009 (3rd Week)
December 31, 2009 : January 2010 (3rd / 4th Week)
March 31, 2010 : April 2010 (3rd / 4th Week)

iii. Date of Book Closure

25th September, 2009 to 30th September, 2009 (Both days inclusive.)

iv. Dividend payment date

As the Board of Directors' have not recommended any dividend on equity shares for FY 2008-09, hence no dividend is payable to the shareholders.

v. Listing on the Stock Exchanges

The Bombay Stock Exchange Ltd., Mumbai.

vi. Scrip/Stock Code

531525 (The Bombay Stock Exchange Ltd., Mumbai)

vii. Market price

Month	High	Low
April-08	16.35	11.27
May-08	14.98	12.27
June-08	14.05	11.59
July-08	13.50	10.00
August-08	13.50	10.25
September-08	14.65	11.05
October-08	12.67	8.71
November-08	11.18	8.77
December-08	14.06	10.06
January-09	14.38	12.71
February-09	15.06	12.00
March-09	16.10	11.50

ix. Registrar and Share Transfer Agent (RTA)

M/s. Intime Spectrum Registry Ltd.
211-Sudarshan Complex,
Near Mithakhali Underbridge,
Navrangpura,
Ahmedabad – 380 009

x. Share Transfer System

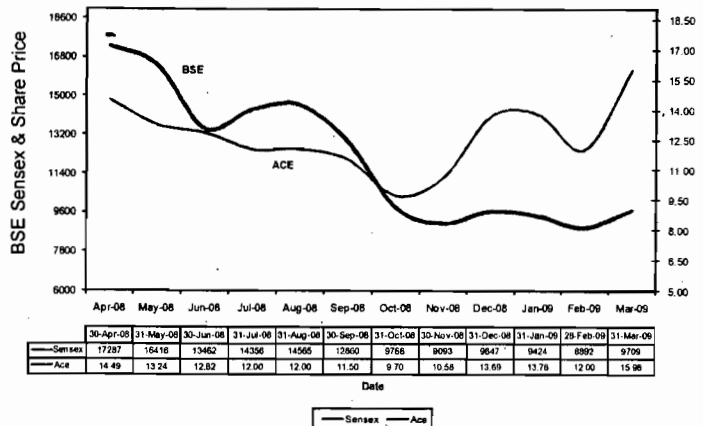
Your company has appointed the Registrar and Share Transfer Agent as named above to carry out the share registry work at the address given above.

xi. Distribution of Shareholding (As on 31st March, 2009):

Category	No. of Shares	Percentage (%)
Promoters	27,28,126	58.29
Private Corporate Bodies	98,678	2.11
Non Resident Indians/OCB	54,354	1.16
Indian Public	17,98,842	38.44
Total	46,80,000	100.00

viii. Performance in comparison to BSE Sensex

BSE Sensex Vs. ACE Share Price



xii. Dematerialisation 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, 2009 51.02% of the Equity Shares of the company have been dematerialized.

xiii. Outstanding GDRs/ADRs/Warrants:

There are no outstanding GDRs/ADRs/Warrants as on 31st March, 2009

xiv. Facility Location:

1. 801, Everest Commercial Complex,
Opp. Shastri Maidan,
Rajkot – 360 001.
2. 801, Alaap – 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 –(0281) 222 6097, 304 7851 Fax: (0281) 223 2918
Email : investorinfo@acesoftex.com

**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, 2009**, 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.

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

Atul M. Kalaria
Partner

Rajkot, Dated 30th June, 2009