

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 shares held in the company	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
Vikram Sanghani	Executive & Non Independent	7,23793 ¹	10	1	-	9	Yes
Sanjay Dhamsania	Executive & Non Independent	7,29,818 [*]	10	1	-	9	Yes
Pratikumar Dadhanian ¹	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 Dadhanian 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 Dadhanian, appointed as Member of the Committee w.e.f. 30th January, 2010

The Audit Committee met 4 times during the year

Name	Designation	No. of Committee meetings attended
Mr. Vimal Kalaria	Chairman	4
Mrs. Trupti Lele ¹	Member	3
Mr. Pratik Dadhanian ²	Member	1
Mr. Dharmshibhai 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:

Name of Member	Designation	No. of Committee meetings attended
Vimal Kalaria	Chairman	3
Dharamshibhai Vadalia	Member	3
Trupti Lele ¹	Member	2
Mr. Pratik Dadhanian 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:

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

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

Name of Director	Sitting Fees 2009-10
Vimal Kalaria	7500
Dharamshibhai Vadalia	6000
Trupti Lele	6000
Pratik Dadhanian	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 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
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)

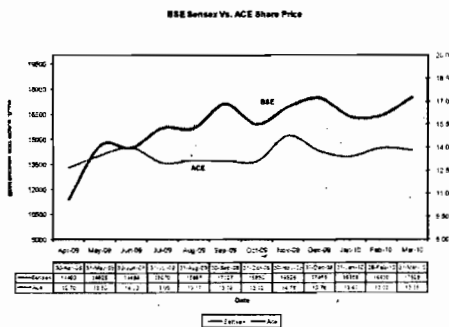
vii. Market price:

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:



Ace Software Exports Ltd.

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(l) (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

