

**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 31<sup>st</sup> March, 2012 consists of Five directors out of which three (3) are Independent Non-Executive Directors and two (2) are Executive & Non-Independent Directors. The composition of the Board and other relevant details relating to Directors are given below :  
Composition of the Board, and directorships held as at March 31, 2012

Name of the Directors Founder and Executive/Director	Designation	Age	Qualification	Other Directorship
Mr. Vikram Sanghani	Jt. Managing Director	49	MBA (Finance)	Ace Infoworld Pvt Ltd. Ace Infoway Pvt. Ltd. Ace eEngineersonline Pvt. Ltd. Rajkot Computer Education Pvt. Ltd. Ace Computer Education Pvt. Ltd. Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd. Everest Office Owners Asso. Pvt. Ltd. Ace Riverside Pvt. Ltd.
Mr. Sanjay Dhamsania	Jt. Managing Director	50	MS (Computer Science)	Ace Infoworld Pvt Ltd. Ace Infoway Pvt. Ltd. Ace eEngineersonline Pvt. Ltd. Rajkot Computer Education Pvt. Ltd. Ace Computer Education Pvt. Ltd. Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd. Everest Office Owners Asso. Pvt. Ltd. Ace Riverside Pvt. Ltd.
Independent & Non Executive Director	Designation	Age	Qualification	Other Directorship
Mr. Pratik C Dadhaniya	Director	40	Graduate in Architecture	Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd.
Mr. Vimal Kalaria	Director	39	Post Graduate Diploma in Finance	Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd.
Mr. Dharamsibhai Vadalia	Director	60	Under Graduate	Aspire Exim Pvt. Ltd. Citizen Solutions Pvt Ltd. Cosmos Services Pvt. Ltd. Jubilant Exim Pvt. Ltd. Speedwell Engineers Pvt. Ltd. Dipak Agro Oil Mill Pvt. Ltd.

**Details of Directors' Shareholding and other Directorship/Committee Membership /Chairmanship**

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	10,41,843*	10	1	-	8	Yes
Sanjay Dhamsania	Executive & Non Independent	4,98,300#	10	1	-	8	Yes
Pratikumar Dadhaniya	Non-Executive & Independent	Nil	5	3	2	8	Yes <sup>1</sup>
Vimal Kalaria	Non-Executive & Independent	Nil	8	2	2	8	Yes
Dharamshi Vadalia	Non-Executive & Independent	Nil	6	3	1	8	No

@@ Excludes directorship in Ace Software Exports Ltd but includes all private and unlisted Public Limited Companies

\* Includes shares held jointly with Mr. Sanjay H Dhamsania & others as well as shares held as partner of Ace Technologies and in HUF

# Includes shares held in individual capacity and HUF Account but does not include shares held jointly with Mr Vikram B. Sanghani & others as well as shares held as partner of Ace Technologies

**Board Meetings**

The Board of Directors met 8 times during the year 2011-12.



**3. Audit Committee:**

The Audit Committee of the Company consists of three Independent Directors, Mr. Vimal Kalaria, Mr. Pratik Dadhaniya and Mr. Dharamshibhai Vadalia. The Audit Committee met 4 times during the year

Name	Designation	No. of Committee meetings attended
Mr. Vimal L Kalaria	Chairman	4
Mr. Pratik C. Dadhaniya	Member	4
Mr. Dharamshibhai R. Vadalia	Member	4

Mr. Nellickal 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 L Kalaria	Chairman	3
Dharamshibhai R Vadalia	Member	3
Pratik C. Dadhaniya	Member	3

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 B Sanghani	13,05,000	15,000
Sanjay H Dhamsania	13,05,000	15,000

Sitting fees paid to Non-Executive & Independent Director:

Name of Director	Sitting Fees 2011-12
Vimal L Kalaria	Rs. 12,000.00
Dharamshibhai R Vadalia	Rs. 12,000.00
Pratik C. Dadhaniya	Rs. 12,000.00
<b>TOTAL</b>	<b>Rs. 36,000.00</b>

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 R. Vadalia	Chairman	Non-Executive Independent Director
Pratik C. Dadhaniya	Member	Non-Executive Independent Director
Vikram B. Sanghani	Member	Executive-Non Independent Director
Sanjay H. Dhamsania	Member	Executive-Non Independent Director

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

iii. The Company has not received any investors' complaints during the year 2011-2012, neither there was any pending investors' complaint as on 31<sup>st</sup> March, 2012.

**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
30.09.2009	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	Approval of reappointment & payment of remuneration under Section 269, 198, 309 of the Companies Act, 1956 to Shri Vikram Sanghani, and Shri Sanjay Dhamsania, Jt. Managing Directors
25.09.2010	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	No special Resolution passed in AGM 2010
29.09.2011	11:00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	No special Resolution passed in AGM 2011

**7. Disclosures:**

i. Significant related party transactions:

There were no materially significant related party transactions, during the year-ended 31.03.2012 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-19 (Notes to Financial Statement) for the said year, 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](http://www.acesoftex.com). The Company's website is in compliance of Clause 54 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd.

**9. General Shareholder's information:**

i. Annual General Meeting:

Date	: 29 <sup>th</sup> September, 2012
Time	: 11.00 A.M.
Venue	: 801-"Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360001

ii. Financial Year:

Tentative Schedule for the Financial Year 2012-13:

For the quarter ended on June 30, 2012	: First or second week of August 2012
For the quarter ended on September 30, 2012	: First or second week of November, 2012
For the quarter ended on December 31, 2012	: First or second week of February 2013
For the full year ended on March 31, 2013	: Third or fourth week of May 2013

iii. Date of Book Closure:

21<sup>st</sup> September, 2012 to 28<sup>th</sup> September, 2012 (Both days inclusive)

iv. Dividend Payment Date:

As the Board of Directors' have not recommended any dividend on equity shares for FY 2011-12, hence no dividend is payable to the shareholders.

v. Listing on the Stock Exchange:

The equity shares of the Company are listed on The Bombay Stock Exchange Ltd., Mumbai. The Company is regular in payment of Annual Listing Fees to the BSE. There has been no change in share capital of the Company during the year 2011-2012

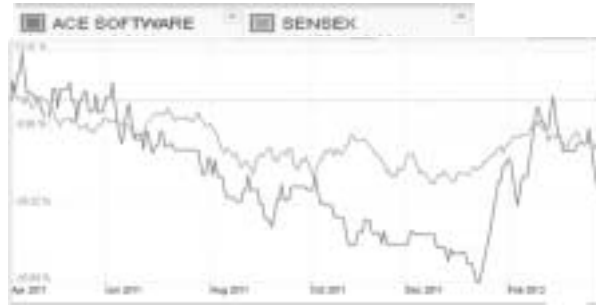
vi. Scrip/Stock Code/ISIN:

531525 - (The Bombay Stock Exchange Ltd., Mumbai)  
ISIN : INE849B01010

vii. Market price:

Month	High	Low
April-11	14.49	12.00
May-11	13.93	11.67
June-11	13.49	10.67
July-11	12.05	10.50
August-11	11.02	9.20
September 11	10.17	8.60
October-11	10.49	8.22
November-11	9.06	7.86
December-11	8.65	7.32
January-12	10.80	7.00
February-12	13.20	9.50
March-12	13.70	10.05

viii. Performance in comparison to BSE Sensex:



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

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 31<sup>st</sup> March, 2012):

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS	TOTAL SHARES	% OF SHARES/DEBENTURES
01 to 500	3024	83.9068	561181	11.9910
501 to 1000	321	8.9068	266287	5.6899
1001 to 2000	139	3.8568	211879	4.5273
2001 to 3000	36	0.9989	92838	1.9837
3001 to 4000	17	0.4717	61044	1.3044
4001 to 5000	14	0.3885	69010	1.4746
5001 to 10000	17	0.4717	124553	2.6614
10001 & above	36	0.9989	3293208	70.3677
<b>TOTAL</b>	<b>3604</b>	<b>100.00</b>	<b>4680000</b>	<b>100.00</b>

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 31<sup>st</sup> March, 2012, 90.48 % of the Equity Shares (total paid up shares as on 31<sup>st</sup> March, 2012) of the company have been dematerialized.

xiii. Outstanding GDRs/ADRs/Warrants:

The Company has not issued any GDRs/ADRs/ warrants and hence there are no outstanding GDRs/ADRs/Warrants as on 31<sup>st</sup> March, 2012.

xiv. Facility Location:

- 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001.
- 801, Aalap – B, Opp. Shastri Maidan, Rajkot – 360 001.
- 3<sup>rd</sup> 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](mailto: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:- 30/05/2012

Vikram Sanghani  
Jt. Managing Director

Pratik Dadhaniya  
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 2011-2012 ended on 31<sup>st</sup> March, 2012, and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- 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:
  - 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
  - Significant changes in the internal control during the year
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
  - 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:- 30/05/2012

Vikram Sanghani  
Jt. Managing Director

Pratik Dadhaniya  
Director



**COMPLIANCE CERTIFICATE**

**TO THE MEMBERS OF  
ACE SOFTWARE EXPORTS LTD.**

We have examined the compliance of the conditions of Corporate Governance by Ace Software Exports Ltd. for the year ended on March 31, 2012, as stipulated in Clause 49 of Listing Agreement of the said company with stock the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and 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, and the representations made by the Directors and the Management, we certify that the Company has complied with the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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  
[Firm Registration No. 104570W]

Atul M. Kalaria  
Partner  
Membership No. 41432  
Rajkot, Dated 30<sup>th</sup> May, 2012

**STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956**

(Rs. in '000)

1. Name of Subsidiary	<b>Rajkot Computer Education Pvt. Ltd.</b>	<b>Ace InfoWorld Pvt. Ltd.</b>	<b>Aspire Exim Pvt. Ltd.</b>	<b>Jubilant Exim Pvt. Ltd.</b>	<b>Speedwell Engineers Pvt. Ltd.</b>	<b>Cosmos Services Pvt. Ltd.</b>	<b>Citizen Solutions Pvt. Ltd.</b>
2. Financial year of the subsidiary ended on	<b>31.03.2012</b>	<b>31.03.2012</b>	<b>31.03.2012</b>	<b>31.03.2012</b>	<b>31.03.2012</b>	<b>31.03.2012</b>	<b>31.03.2012</b>
3. Shares of the subsidiary held by the Company							
a) Number and face value of shares	1,000 Equity shares of Rs. 100/- each fully paid up	6,31,525 Equity shares of Rs. 10/- each fully paid up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up
b) Extent of holding	<b>100%</b>	<b>98.62%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
4. Net aggregate of profits / (losses) so far it concern the members of the subsidiary for the above financial year							
a) dealt with in the accounts of the Company for the current financial year.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the current financial year	0.983	901	55	46	101	38	52
5. Net aggregate of profits / (losses) so far it concern the members of the subsidiary for the previous financial years							
a) dealt with in the accounts of the Company for the previous financial year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the previous financial year	299	27122	931	723	1588	665	813

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

**VIKRAM B. SANGHANI**  
JT.MANAGING DIRECTOR

**PRATIK C. DADHANIYA**  
DIRECTOR

**N. I. THOMAS**  
COMPANY SECRETARY

**VIMAL L. KALARIA**  
DIRECTOR



RAJKOT, Dated 30th May, 2012