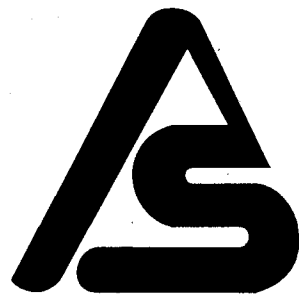


# **EIGHTEENTH ANNUAL REPORT 2011-2012**



**Ace Software Exports Limited**

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## CORPORATE INFORMATION

### Board of Directors:

**Vikram B. Sanghani**

Joint Managing Director

**Sanjay H. Dhamsania**

Joint Managing Director

**Dharmsibhai R. Vadaliya**

Independent Director

**Vimal L. Kalaria**

Independent Director

**Pratik C. Dadhania**

Independent Director

### Company Secretary:

**N. I. Thomas**

### Secretarial Auditors

**M/s. MJP Associates,**

Practising Company Secretaries

Rajkot

### Statutory Auditors:

**M/s. Kalaria & Sampat,**

Chartered Accountants,

Rajkot

### Bankers

**Bank of Baroda**

**HDFC Bank Ltd.**

**Axis Bank Ltd.**

### Registered Office:

801 – Everest Commercial Complex,

Opp. Shashtri Maidan,

Rajkot – 360 001, Gujarat, India



Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Ace Software Exports Limited will be held on Saturday, 29<sup>th</sup> September, 2012 at 11:00 am at the Registered Office of the Company situated at 801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot - 360 001, Gujarat, to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Statement of Profit & Loss Account for the year ended on that date together with the Auditors and Directors' Report thereon.
2. To appoint Director, in place of Shri Sanjay H. Dhamsania, who is liable to retire by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Director, in place of Shri Vimal L Kalaria, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To appoint auditors **M/s. Kalaria & Sampat**, Chartered Accountants, Rajkot, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Date : 30.05.2012

For & On behalf of Board of Directors

Rajkot : Rajkot

**Ace Software Exports Limited**

**(Vikram B. Sanghani)**  
**Joint Managing Director**

**Registered Office Add :**

801, Everest Commercial Complex,

Opp. Shastri Maidan,

Rajkot - 360 001,

Gujarat, India

**Note/s:**

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. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In Terms of Section 256 read with provisions of Articles of Association of the Company, Shri Sanjay H. Dhamsania and Shri Vimal L Kalaria, Directors of the company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
4. Members are requested to bring their Attendance Slip along with the copy of the Annual Report at the meeting. The Members are further requested to send all their communication relating to the share registry work to the Share Transfer and Registrar Agent of the Company M/s. Link Intime India Ltd. at their office situated at 211-Sudarshan Complex, Nr. Mithakhali Underbridge, Navarangpura, Ahmedabad - 380-009.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Company has already notified closure of Register of Members and Transfer Books from Friday, 21<sup>st</sup> September, 2012 to Friday, 28<sup>th</sup> September, 2012 (both days inclusive)
8. Members are advised to refer to the information provided in the Annual Report.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend amount which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government under 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
31.03.2005	24.09.2005	23.09.2012

The 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 sums.



## DIRECTORS' REPORT

To,  
The Members,  
Ace Software Exports Ltd.  
Rajkot.

The Directors of the company have pleasure in presenting their **EIGHTEENTH ANNUAL REPORT** together with the Audited Financial Statements of your Company for the Financial Year ended on **31<sup>st</sup> March, 2012**.

**FINANCIAL RESULTS:**

SR. NO.	PARTICULARS	(Amt in Rs.)	
		2011-12	2010-11
1.	Revenue from Operation	2,54,57,739.00	1,78,12,443.00
2.	Other Income	80,59,525.00	1,43,05,018.00
3.	<b>Total Revenue(1+2)</b>	<b>3,35,17,264.00</b>	<b>3,21,17,461.00</b>
4.	Depreciation	15,24,984.00	10,63,154.00
5.	Other Expenses	2,82,87,517.00	2,80,44,338.00
6.	<b>Profit / (Loss) Before Tax (PBT)</b>	<b>37,04,763.00</b>	<b>30,09,969.00</b>
7.	Taxation	47,638.00	60,946.00
8.	<b>Profit/(Loss) After Tax (PAT)</b>	<b>36,57,125.00</b>	<b>29,49,023.00</b>
9.	Balance Carried forward to the Balance Sheet	8,13,36,362.00	7,76,79,237.00

**PERFORMANCE:**

During the financial year 2011-12, your Company has achieved total turnover of Rs. 2,54,57,739/- as compared to the turnover of Rs. 1,78,12,443/- of the previous year. The Net Profit of the Company stood at Rs. 36,57,125/- as compared to Rs. 29,49,023/- of the previous year.

**DIVIDEND:**

With a view to plough back profits of the year and in order to conserve resources for operational purposes, the Board of Directors of your Company do not recommend any dividend for the year.

**BOARD'S RESPONSIBILITY STATEMENT**

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- That in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- That they have selected such accounting policies and applied them consistently and made judgments 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 accounting year and of the profit and loss account for that year;
- That they have 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 frauds and other irregularities;
- That they have prepared the annual accounts on a going concern basis.

**TRADE RELATIONS:**

The Board desires to place on record its appreciation for the support and co-operation received from suppliers / vendors and authorized dealers and all other associated with our Company. Company regards them as partners in its progress and shares with them the fruits of growth. The Management constantly endeavors to build strong and mutually respectable trade relations with them.

**DIRECTORS:**

Shri Vimal L. Kalaria, and Shri Sanjay H. Dhamsania, Directors are liable to retire by rotation and being eligible offer themselves for reappointment. Mr. Sanjay Dhamsania has done M.S. (Computer Science) from Harvard University, Washington D.C., USA. He worked in the US as a programmer Analyst for some time. He is the co-founder of the company and has been with the company right from the incorporation of the company. He is having more than 19 years of experience in the information Technology (IT) Industry in various capacities and has been involved in top level management since the beginning.

Mr. Vimal Kalaria has more than 15 years of experience in finance & accounts department.

Brief details of all Directors are given in the Report of Board on Corporate Governance forming part of this Report of Board of Directors.

**CORPORATE GOVERNANCE:**

Since inception, the Company laid emphasis on appropriate & timely disclosures and transparency in all business dealings. ASEL has been adhering to the corporate governance principles & practices since long. Your Company is regularly submitting its Corporate Governance Reports to stock exchanges where shares are listed. A detailed report on Corporate Governance is also annexed to this Report. Further, the Certificate, in relation to compliance of the corporate governance principles, obtained from M/s Kalaria & Sampat, Chartered Accountants, and statutory Auditors of the Company is annexed to this Report of Board.

**AUDITORS:**

M/s. Kalaria & Sampat, Chartered Accountants, and statutory Auditors of the Company, retire at this Annual General Meeting, and being eligible, offer themselves to be reappointed as such. The Company has received certificate from M/s. Kalaria & Sampat, Chartered Accountants, declaring that their appointment will fall within limits prescribed under Section 224(1B) of the Companies Act, 1956.

**SECRETARIAL AUDIT:**

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by M/s. MJP Associates, Practising Company Secretaries, Rajkot. The findings of the Secretarial Audit were satisfactory.

**SUBSIDIARY COMPANIES:**

ASEL has Seven Subsidiary Companies. In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the Subsidiary companies and the related detailed information to any matter of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the Financial results of its subsidiary companies.

Sr. No.	Name of Subsidiary companies & Location	Percentage stake owned by Ace Software Exports Ltd. (%)	
1	Ace Infoworld Pvt. Ltd. Rajkot (erstwhile Apex Advanced Technology Pvt. Ltd)		98.96%
2	Rajkot Computer Education Pvt. Ltd, Rajkot		100.00%
3	Aspire Exim Pvt. Ltd, Rajkot		100.00%
4	Cosmos Services Pvt. Ltd, Rajkot		100.00%
5	Citizen Solutions Pvt. Ltd, Rajkot		100.00%
6	Jubilant Exim Pvt. Ltd, Rajkot		100.00%
7	Speedwell Engineers Pvt. Ltd, Rajkot		100.00%

**PARTICULARS OF EMPLOYEES:**

There are no employees in the Company drawing remuneration more than the limits specified in the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) (Amendment) Rules, 2011.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Disclosures with regards to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed herewith and forms part of this Report.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank all investors, banks, regulatory and governmental authorities and Apex Co vantage, LLC USA for their continued co-operation during the year. Your Directors sincerely acknowledges the significant contribution made by all the employees for their dedicated services to the Company.

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Disclosures pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**1. Consumption & Conservation of energy**

Your company operates in the business of Software Database Creation (e-Publishing) and does not have any conventional manufacturing or transforming activities. Hence, details of consumption of energy are not required to be furnished. Further, the Company is taking sufficient steps for the purpose of energy conservation.

**2. Technology absorption**

As the Company is engaged in the IT sector, the Company is implementing constant upgradation of technology related to software & hardware.

**3. Foreign Exchange earnings and outgo**

Particulars	2011-12	2010-11
Foreign Exchange Earnings	USD 5,55,192.23	USD 393905.70
	(INR 2,68,62,722.00)	(INR 1,78,12,443.00)
Foreign Exchange outgo	USD NIL	USD 6,569.41
	INR NIL	(INR 3,08,621.00)

**4. Management Discussion and Analysis Report:****a. Industry Structure & Development:**

Global IT services spending have increased from USD 586 billion in 2010 to USD 605 billion in 2011. BPO services spending have increased from USD 147 billion in 2010 to USD 153 billion in 2011. During 2011, global IT offshoring accounted for 61% of the total global sourcing market while BPO offshoring accounted for 39%. Trends in global sourcing continued to remain positive, showing higher growth than the global spending. In 2011 global sourcing grew by 12% over 2010 (2010 growth over 2009 was 10.4%).

**b. Opportunity, Threats and Outlook Risk & Concerns:**

Looking forward, the global IT services spending is expected to grow at a CAGR of 4.5% over 2011-2013 while the global BPO services spending is expected to grow at CAGR of 5.3% during the same period. The IT outsourcing market is expected to show a 3-year CAGR of 8% over 2011-2013, while BPO offshoring is expected to grow at CAGR of 7% over the same period.

**c. Segment/Product wise performance:**

The company's operation falls under single segment namely, "Computer Software and Services Exports", therefore segment wise performance is not furnished.

**d. Internal control systems and their adequacy:**

The Company has an effective Internal Control System in place and this is periodically reviewed for its effectiveness. There are well defined Power and Authority limits to ensure that assets of the Company are safeguarded and transactions are executed in accordance with the Corporate Policies. The company has a Cross-Functional Internal Audit team with pre-determined roles, responsibilities and authorities. The team ensures an appropriate information flow and effective monitoring. The findings and recommendations of the Team are reviewed by the Audit Committee periodically.

**e. Discussion on financial performance with respect to operational performance:**

The Financial Performance of the company, during the year under review, has been given separately in the Directors' Report.

For & on behalf of Board of Directors,

Vikram B. Sanghani      Pratik C. Dadhaniya  
Jt. Managing Director      Director  
Rajkot, Dated 30th May, 2012



**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
Pratik Kumar 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. Dharmshibhai 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. Dharmshibhai 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
Dharmshibhai 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
Dharmshibhai 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
Dharmshibhai 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 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 off/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

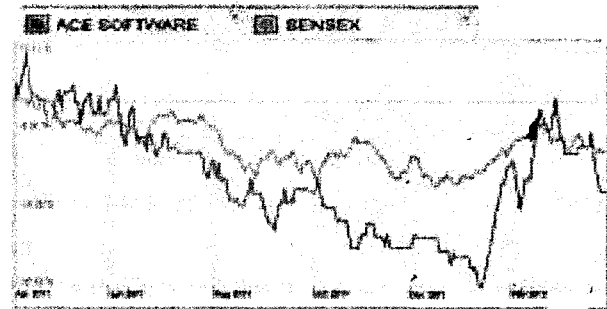
**vi. Scrip/Stock Code/ISIN:**

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(I) (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



## Auditors' Report

To

The Members,

**ACE SOFTWARE EXPORTS LIMITED**

We have audited the attached Balance Sheet of **ACE SOFTWARE EXPORTS LIMITED**, as at 31<sup>st</sup> March 2012, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with all the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2012, and taken on records by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date, and
  - (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For Kalaria & Sampat,  
Chartered Accountants  
[Firm's Registration No.104570W]

Atul M. Kalaria  
Partner

Rajkot, Dated 30<sup>th</sup> May 2012

Membership No. 41432

**Statement on the Companies (Auditor's Report) Order, 2003**

To,

The Members,

**ACE SOFTWARE EXPORTS LIMITED**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets and the going concern status of the company is not affected.
- (ii) The Company's nature of operation is such that the inventories cannot be physically verified. Accordingly Clause 4(ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted nor taken unsecured loans to/from any person covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to, fixed assets and with regard to the sale services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956.
- (vi) The company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company. Accordingly clause 4(viii) of the Order is not applicable.
- (ix) In respect of statutory dues;
  - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, value added tax, service tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, sales tax, value added tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us, the company has no accumulated losses and has not incurred cash losses during the financial year under audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not availed any loan from financial institutions and banks. Accordingly, Clause 4(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Clause 4(xii) of the Order is not applicable.
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi /Mutual benefit fund/ society. Accordingly, Clause 4(xiii) of the Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the company has maintained proper records and contracts with respect to its investment and timely entries have been made therein. All investments are held by the company in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.
- (xvi) The Company has not obtained any term loans. Accordingly, clause 4(xvi) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us and on overall examination of Financial Statement of the company, we report that no funds raised on short term basis have been used for long term purposes.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, Clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued any debentures. Accordingly, Clause 4(xix) of the Order is not applicable.
- (xx) The company has not raised any money by public issues during the year. Accordingly the Clause 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants  
[Firm's Registration No.104570W]

Atul M. Kalaria  
Partner

Rajkot, Dated 30<sup>th</sup> May 2012

Membership No.41432

