

NINETEENTH ANNUAL REPORT 2012-2013



Ace Software Exports Limited

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. Dadhaniya

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 Nineteenth Annual General Meeting of the Members of Ace Software Exports Limited will be held on Saturday, 28th September, 2013 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:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss Account for the year ended on that date together with the Auditors and Directors' Report thereon.
- To appoint Director, in place of Shri Vikram B Sanghani who is liable to retire by rotation, and being eligible, offers himself for re-appointment.
- To appoint Director, in place of Shri Dharamsibhai R Vadalia, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
- 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.

Special Business:

- 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 Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, the approval of the Members of the Company be and is hereby given for revision in remuneration of Shri Vikram B. Sanghani, Joint Managing Director of the Company w.e.f. 29th March, 2013 for the period of Two Years on such terms and conditions mentioned hereinunder."

SALARY:

- Salary of Rs. 1,48,750/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

- Reimbursement of Medical Expenses upto Rs. 1,250/- per month

"RESOLVED FURTHER THAT The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956. Shri Vikram B. Sanghani shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors"

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri Vikram B. Sanghani, the Company has no profits or has inadequate profits, the Company will, subject to provisions of Schedule XIII to the Companies Act, 1956, pay remuneration by way of salary and allowances as specified above."

"RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

- 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 Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, the approval of the Members of the Company be and is hereby given for revision in remuneration of Shri Sanjay Dhamsania, Joint Managing Director of the Company w.e.f. 29th March, 2013 for the period of Two Years on such terms and conditions mentioned hereinunder."

SALARY:

- Salary of Rs. 1,48,750/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.

- Reimbursement of Medical Expenses upto Rs. 1,250/- per month

"RESOLVED FURTHER THAT The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956. Shri Sanjay Dhamsania shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors"

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri Sanjay Dhamsania, the Company has no profits or has inadequate profits, the Company will, subject to provisions of Schedule XIII to the Companies Act, 1956, pay remuneration by way of salary and allowances as specified above."

"RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Date : 29.05.2013
Rajkot : Rajkot

For & On behalf of Board of Directors
Ace Software Exports Limited

(Sanjay H. Dhamsania)
Joint Managing Director

Registered Office Add :

801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot – 360 001, Gujarat, India

Notes/s:

- A member entitled to attend and vote at the annual general meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than Forty –eight hours before the commencement of the Meeting.
- Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- In Terms of Article 153 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri Vikram B Sanghani and Shri Dharamsibhai R Vadalia, Directors retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commend their respective re-appointments.
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act., 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 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 Pvt. Ltd. at its Ahmedabad Branch office situated at 303, Shopper's Plaza-V, Opp. Municipal Market, off. C G Road, Navrangpura, Ahmedabad- 380 009.
- 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.
- 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.
- Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered Office of the Company on all working days, except Saturdays, between 11:00 am and 1 : 00 pm upto the date of the Meeting.
- The Company has notified closure of Register of Members and Share Transfer Books from Monday, 23rd September, 2013 to Friday, 27th September, 2013 (both days inclusive).
- Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participates with whom they are maintaining their demat account. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ M/s. Link Intime India Pvt. Ltd.
- Members are advised to refer to the information provided in the Annual Report.
- Pursuant to the provisions of Section 205A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends upto Financial years 2004-05 to the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2012 (date of last Annual General Meeting) on the website of the company (www.acesoftex.com), as also on the Ministry of Corporate affairs website.

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
31.03.2006	29.09.2006	28.09.2013
31.03.2007	25.09.2007	24.09.2014
31.03.2008	25.09.2008	24.09.2015

- 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.

- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Link Intime India Pvt. Ltd.

- Members who hold share in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Pvt. Ltd. for consolidation into a single folio.

- Non –Resident Indian Members are requested to inform Link Intime India Pvt. Ltd. immediately of :

- Change in their residential status on return to India for permanent settlement.
- Particulars of their bank account maintained in India with complete name, branch, account, type, account number and address of the bank with pin code number, if not furnished earlier.

- Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 and 6 of the accompanying Notice:

Item No. 5:

The Board of Directors of the Company had revised remuneration of Shri Vikram Sanghani, Joint Managing Director of the Company, with effect from 29th March, 2013, for the period of two years subject to approval of Members in the Annual General Meeting. Shri Vikram Sanghani is one of the founder promoters of the Company and is associated with the Company since its inception. Shri Sanghani has, through his foresight and visionary approach, coupled with sound understanding of the software industry & financial issues, has led the Company to the path of growth. The remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as Report on Corporate Governance. This may be treated as an abstract of the terms and conditions for increase in remuneration of Shri Sanghani, as the Joint Managing Director, and this is to be treated as an abstract under Section 302 of the Companies Act, 1956. The Directors recommend the resolution at item 5 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution. Except Shri Vikram Sanghani, being the proposed beneficiary, no other director of the company, is concerned and/or interested in this Resolution.

Item No. 6:

The Board of Directors of the Company had revised remuneration of Shri Sanjay Dhamsania, Joint Managing Director of the Company, with effect from 29th March, 2013, for the period of two years subject to approval of Members in the Annual General Meeting. Shri Sanjay Dhamsania is one of the founder promoters of the Company and is associated with the Company since its inception. Shri Dhamsania has, through his expertise in marketing, has led the Company to the path of growth. The remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as Report on Corporate Governance. This may be treated as an abstract of the terms and conditions for increase in remuneration of Shri Sanghani, as the Joint Managing Director, and this is to be treated as an abstract under Section 302 of the Companies Act, 1956. The Directors recommend the resolution at item 6 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution. Except Shri Sanjay Dhamsania, being the proposed beneficiary, no other director of the company, is concerned and/or interested in this Resolution.



DIRECTORS' REPORT

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

Your Directors are pleased to present the **NINE-TEENTH ANNUAL REPORT** together with the Audited Financial Statements of your Company for the Financial Year ended on **31st March, 2013** is summarised below :

FINANCIAL RESULTS :		(Amt in Rs.)	
Sr. No.	PARTICULARS	2012-13	2011-12
1.	Revenue from Operation	3,75,08,634	2,54,57,739
2.	Other Income	71,86,752	80,83,103
3.	Total Revenue(1+2)	4,46,95,386	3,35,40,842
4.	Depreciation and Amortization	19,25,819	15,24,984
5.	Employee Benefit Expenses	86,92,188	68,71,316
6.	Finance Cost	2,14,675	45,676
7.	Other Expenses	2,99,24,033	2,14,39,740
7.	Profit / (Loss) Before Tax (PBT)	39,38,671	36,59,126
8.	Taxation	6,365	2,000
9.	Profit/(Loss) After Tax (PAT)	39,32,306	36,57,126
10.	Balance of Reserve & Surplus in Balance sheet	9,91,91,728	9,52,59,422

PERFORMANCE :

During the financial year 2012-13, your Company has achieved total Revenue from sale of Software Rs. 3,75,08,634 as compared to the turnover of Rs. 2,54,57,739/- of the previous year. The Net Profit of the Company stood at Rs. 39,32,306/- as compared to Rs. 36,57,125/- 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

Pursuant to the requirement under Section 217 (2AA) , of the Companies Act, 1956 with respect to Directors' Responsibility Statements, it is hereby confirmed that ::

- in the preparation of the annual accounts for the year ended on March 31, 2013, the applicable accounting standards, read with requirements set out under Schedule VI to the Companies act., 1956, have been followed and there are no material departures from the same.
- that the Directors 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 as at March 31, 2013 and of the profit of the Company for the year ended on that date ;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a 'going concern' basis.

TRADE RELATIONS :

The Board hereby places note of appreciation Empower your account and trade managers to improve customer value by increasing promotion spend efficiently and reducing the number of outstanding -with held from our account & trade promotion management solution.

The Management constantly endeavors to build strong and mutually respectable trade relations with them.

DIRECTORS :

Shri Vikram B Sanghani, and Shri Dharamsibhai R Vadalia, Directors are liable to retire by rotation and being eligible, offer themselves for reappointment. Further, the Board had revised remuneration of Shri Vikram Sanghani, and Shri Sanjay Dhamsania, Joint Managing Directors w.e.f. 29th March, 2013, subject to approval of Members at the ensuing Annual General Meeting. Members are requested to reappoint Directors and also approve revisions of remuneration of Joint Managing Directors. At 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 REPORT :

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. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual account of the subsidiary companies will also be kept open for inspections 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.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217 (1)(e) of the companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed herewith and forms part of this Report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

Pursuant to the Provisions of the Section 205A (5) and 205 C of the Companies Act, 1956 relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the company, to the Investor Education and Protection Fund.

Pursuant to the provisions of the Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th September, 2012 (date of last Annual General Meeting) on the website of the Company (www.acesoftex.com) as also on the Ministry of Corporate Affairs website.

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the assistance and co-operation received from the investors, banks, regulatory and governmental authorities and Apex Co vantage, LLC USA for their continued co-operation during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff of the Company.

For and on behalf of Board of Directors,

(Sanjay H. Dhamsania) **(Pratik C. Dadhaniya)**
 Jt. Managing Director Director
 At Rajkot, Dated 29th May, 2013

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures pursuant to the Companies (Disclosure of particulars in the Report of the 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

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

3. Foreign Exchange earnings and outgo

Particulars	2012-13	2011-12
Foreign Exchange earnings	USD 6,92,228.74	USD 4,75,777.99)
	(INR 3,75,08,634)	(INR 2,54,57,739)
Foreign Exchange Outgo	(USD NIL)	(USD NIL)
	(INR NIL)	(INR NIL)

4. Management Discussion and Analysis Report :

a. Industry Structure & Development :

Across markets, technology and innovation are being seen as growth drivers. Investment in innovation has emerged as a differentiator in the market place. Investment in technology has been enabling companies to connect with customers and influence their purchase decisions on a real-time basis. The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern and slow growth (1%-2%). In the emerging markets, strong consumer spending and upbeat investment sentiment continue to drive economic growth (5%-8%).

b. Opportunity, Threats and Outlook Risk & Concerns :

The large size of the addressable global market, with relatively low current level of penetration suggests significant headroom for future growth. The Company has positioned itself well for the growth in business with an aligned strategy, structure and capabilities.

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.

CORPORATE GOVERNANCE

1. The Company's philosophy on Corporate Governance:

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental of the company.

2. Board of Directors:

Composition of the Board of Directors

The Board of Directors of the company as on 31st March, 2013 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 31st March, 2013 :

Name of the Directors Founder and Executive\Director	Designation	Age	Qualification	Other Directorship
Mr. Vikram Sanghani	Jt. Managing Director	50	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	51	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	41	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	40	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. Dharamsinh Vadhania	Director	61	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	6,61,484 [*]	10	1	-	6	No
Sanjay Dhamsania	Executive & Non Independent	7,11,578 [#]	10	1	-	6	Yes
Pratik Kumar Dadhaniya	Non-Executive & Independent	Nil	5	3	2	6	Yes ¹
Vimal Kalaria	Non-Executive & Independent	1000	8	2	2	6	Yes
Dharamsinh Vadhania	Non-Executive & Independent	Nil	6	3	1	6	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 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 as partner of Ace Technologies

Board Meetings

The Board of Directors met 6 times during the year 2012-13.

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

The Company had not paid any setting fees to any of Directors

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 2012-2013, neither there was any pending investors' complaint as on 31st March, 2013.

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
25.09.2010	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
29.09.2012	11:00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	No special Resolution passed in AGM 2012

The Company had not passed any Resolution through Postal Ballot process in last three years.

7. Disclosures:

i. Significant related party transactions:

There were no materially significant related party transactions, during the year-ended 31.03.2013 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-22 (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.

v. Reconciliation of Share Capital Audit:

A firm of Practicing Company Secretaries carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

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. The Company's website is in compliance of Clause 54 of the Listing Agreement entered into with the BSE Ltd.

9. General Shareholder's information:

i. Annual General Meeting:

Date	: 28 th September, 2013
Time	: 11.00 A.M.
Venue	: 801-"Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360001

As required under Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 28th September, 2013

ii. Financial Year:

Tentative Schedule for the Financial Year 2013-14:	
For the quarter ended on June 30, 2013	: First or second week of August 2013
For the quarter ended on September 30, 2013	: First or second week of November, 2013
For the quarter ended on December 31, 2013	: First or second week of February 2014
For the full year ended on March 31, 2014	: Third or fourth week of May 2014

iii. Date of Book Closure:

23rd September, 2013 to 27th September, 2013 (Both days inclusive)

iv. Dividend Payment Date:

As the Board of Directors' have not recommended any dividend on equity shares for FY 2012-13, hence no dividend is payable to the shareholders.

v. Listing on the Stock Exchange:

The equity shares of the Company are listed on The BSE 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 2012-2013

vi. Scrip/Stock Code/ISIN:

531525 - (The BSE Ltd., Mumbai)
ISIN : INE849B01010

vii. Market price:

Month	High	Low
April-12	10.55	10.03
May-12	9.81	9.13
June-12	9.13	6.80
July-12	7.35	6.50
August-12	7.51	6.25
September 12	7.70	6.90
October-12	10.55	7.23
November-12	10.71	9.55
December-12	10.50	9.32
January-13	10.10	9.00
February-13	10.55	8.40
March-13	10.95	9.35

viii. Performance in comparison to BSE SENSEX:



ix. Registrar and Share Transfer Agent (RTA):

Link Intime India Pvt. Ltd (Ahmedabad Branch Office)

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 31st March, 2013):

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS	TOTAL SHARES	% OF SHARES/DEBENTURES
01 to 500	2958	84.1297	548121	11.7120
501 to 1000	307	8.7315	255853	5.4669
1001 to 2000	133	3.7827	203299	4.3440
2001 to 3000	36	1.0239	91478	1.9547
3001 to 4000	16	0.4551	57044	1.2189
4001 to 5000	14	0.3982	69010	1.4746
5001 to 10000	17	0.4835	125571	2.6831
10001 & above	35	0.9954	3329624	71.1458
TOTAL	3516	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, 2013, 90.64 % of total paid up equity share capital as 31st March, 2013 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 31st March, 2013.

xiv. Facility Location:

- 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001.
- 801, Aalap – B, Opp. Shastri Maidan, Rajkot – 360 001.
- 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:- 29.05.2013

(Sanjay H. Dhamsania)
Jt. Managing Director

(Pratik C 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 2012-13 ended on 31st March, 2013, 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:- 29/05/2013

(Sanjay H. Dhamsania)
Jt. Managing Director

(Pratik C Dadhaniya)
Director



Auditors' Report

To,
The Members,
ACE SOFTWARE EXPORTS LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **ACE SOFTWARE EXPORTS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profits for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;
 - b. 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;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Rajkot, Dated 29th May 2013

Membership No. 41432

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

To,
The Members,
ACE SOFTWARE EXPORTS LIMITED
Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" 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) The company has granted loan to one company covered in the register maintained under Sec 301 of the Companies Act, 1956. Maximum amount involved during the year was Rs. 4,38,950 .
- (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 respect of transactions covered under Section 301 of the Companies Act, 1956;
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (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 31st March, 2013 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 defaulted in repayment of dues to a bank.
- (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 29th May 2013

Membership No.41432