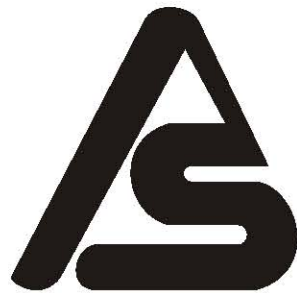


TWENTIETH ANNUAL REPORT 2013-2014



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

ACE SOFTWARE EXPORTS LIMITED.

Reg. Off. 801, "Everest", Opp. Shashtri Maidan, Rajkot-360001 (Gujarat)

Phone : 0281-2226097, Fax: 0281-2232918, Email :investorinfo@acesoftex.com

CIN: L72200GJ1994PLC022781 Website: www.acesoftex.com

Notice is hereby given that the twentieth Annual General Meeting of the members of Ace Software Exports Limited will be held on **Saturday, 9th August, 2014 at 11.00 a.m.** at the registered office of the Company situated at 801, Everest Commercial Complex, Opp. Shashtri Maidan, Rajkot-360001, Gujarat, to transact the following business;

Ordinary business:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a director in place of Vikram B. Sanghani (DIN: 00183818), who retires by rotation and, being eligible, seeks re-appointment.
3. To appoint a director in place of Sanjay H. Dhamsania (DIN: 00013892), who retires by rotation and, being eligible, seeks re-appointment.
4. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and to pass the following resolution thereof.

RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Company, M/s Kalaria & Sampat, Chartered Accountants (Firm Reg. No. 104570W), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the Next AGM and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be fixed by the Board of Directors of the company as agreed upon between the auditors and the Board of Directors.

Special business:

5. **To re-appoint Shri Vikram B. Sanghani (DIN: 00183818), as Joint Managing Director as well as revision of remuneration.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196 and 197, and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in pursuance of recommendation of the Remuneration Committee (Now, Nomination and Remuneration Committee) of the Board of Directors of the Company, approval of the Company be and is hereby accorded for Re-appointment of Shri Vikram B. Sanghani (DIN: 00183818), as a Joint Managing Director of the Company, with effect from 29th April, 2015, for the period of five years, as well as revision of Remuneration of Shri Vikram B. Sanghani with effect from 1st April, 2014, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the remuneration as it may deem fit and as may be acceptable to Mr. Vikram B. Sanghani."

RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the current tenure of Shri Vikram B. Sanghani (DIN: 00183818), the Company has no profit or has inadequate profits, the Company will, subject to provisions of Schedule V to the Companies Act, 2013, pay remuneration by way of salary and allowances as specified in the Statement annexed to the Notice.

RESOLVED FURTHER THAT the Board or a Committee (Nomination and Remuneration Committee) thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

6. **To re-appoint Shri Sanjay H. Dhamsania (DIN:00013892) as a Joint Managing Director as well as revisions of remuneration**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196 and 197, and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in pursuance of recommendation of the Remuneration Committee (Now, Nomination and Remuneration Committee) of the Board of Directors of the Company, approval of the Company be and is hereby accorded for Re-appointment of Shri Sanjay H. Dhamsania (DIN: 00013892), as a Joint Managing Director of the Company, with effect from 29th April, 2015, for the period of five years, as well as revision of Remuneration of Shri Sanjay H. Dhamsania with effect from 1st April, 2014, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the remuneration as it may deem fit and as may be acceptable to Shri Sanjay H. Dhamsania."

RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the current tenure of Shri Sanjay H. Dhamsania (DIN: 00013892), the Company no profit has or has inadequate profits, the Company will, subject to provisions of Schedule V to the Companies Act, 2013, pay remuneration by way of salary and allowances as specified in the Statement annexed to the Notice.

RESOLVED FURTHER THAT the Board or a Committee (Nomination and Remuneration Committee) thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

7. **Contract to sell, lease, transfer, assign or otherwise dispose of the whole or part of the office no. 301,302 & 303 situated at Rajlaxmi Complex, Rajkot.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013, and the Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract to sell, lease, transfer, assign or otherwise dispose of the whole or part of the office no. **301, 302 & 303** situated at Rajlaxmi Complex, 16 Vijay Plot, Rajkot with the consideration, which shall be at the fair market value and to discharge in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and purchaser, lessee, transferee, assignee or any other party.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.

8. **Contract to lease / leave and licence the offices no. 801, 802, 803, 810, 811 & 812 situated at Alap -B Complex-Rajkot to Ace Infoway Pvt. Ltd., Rajkot.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

RESOLVED THAT pursuant to 188 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract and provide on lease basis /leave and license basis the offices no. 801, 802, 803, 810, 811 & 812 situated at Alap-B to M/s Ace Infoway Pvt. Ltd. on such consideration/ rental, as the Board of Directors thinks appropriate, which shall be at the fair market value.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.

9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Shri Dharamsibhai Ramjibhai Vadalia** (holding DIN 00015165), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from 9th August, 2014 to 8th August, 2019."

10. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Shri Vimal Laljibhai Kalaria** (holding DIN 00029395), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from 9th August, 2014 to 8th August, 2019."

11. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Shri Pratik Kumar Chandulal Dadhania** (holding DIN 02931106), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from 9th August, 2014 to 8th August, 2019."

Date : 30.05.2014

Place : Rajkot

For & On Behalf Board of Directors
Ace Software Exports Limited

Vikram B. Sanghani

Joint Managing Director

NOTES :

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **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 on behalf of the said member 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company not less than Forty-eight hours before the commencement of the meeting, board resolution for attending the AGM.

5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
 6. Members / proxies should bring the duly filled Attendance Slip along with the Annual Report at the meeting.
 7. In terms of section 152(6) of the Companies Act, 2013, Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania, Directors retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. As per the Explanation given under section 152, "total number of directors" shall not include independent directors, whether appointed under this Act or any other law for the time being in force, on the Board of a Company. The Board of Directors of the Company commends their respective re-appointment.
 8. 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.
 9. 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.
 10. 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.
 11. Relevant documents referred to the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, except Saturday, between 11.00 a.m. and 1.00 p.m. upto the date of Meeting.
 12. Members are advised to refer to the information provided in the Annual Report.
 13. Pursuant to provisions of section 205A (5) and Section 205C of the Companies Act, 1956 which are the corresponding with sections 124 and 125 of the Companies Act, 2013 the company has transferred the unpaid or unclaimed dividends upto Financial year 2005-06 to the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts laying with companies) rules 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the company as on September 28, 2013 (date of last annual general meeting) on the website of the company (www.acesoftex.com) and also on the website of Ministry of Corporate affairs.
- Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below;
- | Financial year claiming Ended | Date of Declaration of Dividend | Last date for unpaid Dividend |
|-------------------------------|---------------------------------|-------------------------------|
| 31.03.2007 | 25.09.2007 | 24.09.2014 |
| 31.03.2008 | 25.09.2008 | 24.09.2015 |
14. 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 are 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.
 15. Members who holds 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.
 16. Non-Residential Indian Members are requested to inform Link Intime India Pvt. Ltd. immediately of;
 - a) Change in their residential status on return to India for permanent settlement.
 - b) 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.
 17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
 18. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
 19. The Register of Members and Share Transfer Books will remain closed from **August 02, 2014 to August 9, 2014 (both days inclusive)**.
 20. Members may also note that the Notice of the 20th AGM and the Annual Report 2014 will be available on the Company's website, www.acesoftex.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investorinfo@acesoftex.com.
 21. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
 22. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
 23. Members who have not registered their e-mail addresses so far are requested to register their email address so that they can receive the Annual Report and other communication from the Company electronically.
 24. **Voting through electronic means**
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide

members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

The e-voting period commences on 4th August, 2014 (9:00 am) and ends on 5th August, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th July, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 4th July, 2014.

CA Rajan Bhimani, Practicing Chartered Accountant and Proprietor of R. H. Bhimania & Associates, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

EXPLANATORY STATEMENT

Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item 5 & 6

The Board of Directors of the Company at its meeting held on February 17, 2014 has, subject to the approval of members, re-appointed Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania as Joint Managing Director, for a period of 5 (five) years from the expiry of his present terms, which expired on 28th April, 2015, as well as board has revised remuneration as recommended by the Committee w.e.f 1st April, 2014.

It is proposed to seek the members' approval for their re-appointment and revision in remuneration payable to Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania as Joint Managing Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania, which shall be construed as a Contract of employment as per section 190 of the Companies Act, 2013 and the written memorandum setting out the terms are as under:

(a) Salary, Perquisites and allowances of Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania, is as follows, which is payable w.e.f 1st April, 2014 for two years.

1. Salary per month : 1,58,750/- per month with the authority to the Board of Directors and Nomination and Remuneration Committee to revise the same from time to time in accordance with the limits specified in Schedule V of the Companies Act, 2013.
2. Perquisites: Medical reimbursement: upto 1250/- per month.
3. Commission:

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of the each financial year, subject to the overall ceiling of 1.5 % of the net profits of the Company.

The specific amount payable will be paid annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.

(b) General:

(i) The Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Brief Resume of Shri Vikram B. Sanghani

Shri Vikram B. Sanghani has been leading the ACE group since 1992. He is one of the founder promoters of the Company and is associated with the Company since inception, he has through foresight and visionary approach, coupled with sound understanding of the Software industries & financial issues, has led the company to the path of growth. Prior to working with the Company, He worked at ICICI Ltd, where he was part of the Resources team. At ICICI, he dealt with Chase Manhattan, S G Warburg, and Bank of Tokyo, among many other leading international banks. He has spearheaded Ace's Indian operations, nurturing them from inception to the efficient and profitable businesses that they are today. He is also actively engaged in social and charitable activities and has executed exceptionally large projects, including a dam that provides clean water to 100,000 disadvantaged people. Shri Vikram B. Sanghani has an MBA from the Bajaj Institute of Mumbai.

Brief Resume of Shri Sanjay H. Dhamsania

Shri Sanjay H. Dhamsania has been leading the ACE group since 1992. He played a key role in setting up a production facility at Rajkot, India. He manages the Rajkot facility, and has one of the most experienced and talented pools of people in the organization. Additionally, he was instrumental in formulating ACE's key production system and processes, which later became part of the foundation of the conversion process. Shri Sanjay H. Dhamsania holds a Masters Degree in Computer Science from the US. Before returning to India, he worked in the US for two years in a Washington D.C firm. Because of his US experience, he has been able to integrate the requirements of US clients with local talent, to consistently meet quality and delivery standards. Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them.

The relatives of Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends the Special Resolutions setout at Item Nos. 5 and 6 of the Notice for approval by the shareholders.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. General Information:

(1) Nature of industry

The Company operates in the business of software Database Creation(e-Publishing).

(2) Date or expected date of commencement of commercial production

The Company was incorporated on 17th August, 1994 and Commencement of Business Certificate was granted on 23rd September, 1994.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(4) Financial performance based on given indicators (In Lacs)

	FY 2013-14		FY 2012-13		FY 2011-12	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Revenue	553.25	584.92	446.95/-	476.85/-	335.17/-	361.09/-
Profit Before Tax	60.93	81.98	39.39/-	20.02/-	37.05/-	49.97/-
Profit For the period	60.88	78.99	39.32/-	20.71/-	36.57/-	48.59/-

(5) Foreign investments or collaborations, if any.

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.

II. Information about the appointee:

(1) Background details

of Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania is given in the Brief Resume above.

(2) Past remuneration (last two years): (In lacs)

	Shri Vikram B. Sanghani		Shri Sanjay H. Dhamsania	
	2013-14	2012-13	2013-14	2012-13
Salary	17.85/-	13.05/-	17.85/-	13.05/-
Medical Reimbursement	0.15	0.15/-	0.15/-	0.15/-

(3) Recognition or awards

As given in the Brief Resume

(4) Job profile and his suitability

Shri Vikram B. Sanghani has been leading the ACE group since 1992. He is one of the founder promoters of the Company and is associated with the Company since inception, he has through foresight and visionary approach, coupled with sound understanding of the Software industries & financial issues, has led the company to the path of growth.

Shri Sanjay Dhamsania has been leading the ACE group since 1992. Mr. Dhamsania played a key role in setting up a production facility at Rajkot, India. He manages the Rajkot facility, and has one of the most experienced and talented pools of people in the organization. Additionally, he was instrumental in formulating ACE's key production system and processes, which later became part of the foundation of the conversion process

(5) Remuneration proposed

Details of Remuneration proposed, is as given in the statement pursuant to section 102.

III. Other information:

(1) Reasons of loss or inadequate profits

The large size of the addressable global market, with relatively low current level of penetration causes the inadequate profit of the company.

(2) Steps taken or proposed to be taken for improvement

The Company has taken various initiatives to improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve volumes and reduce costs coupled with service and marketing.

(3) Expected increase in productivity and profits immeasurable terms.

The aforesaid steps taken/to be taken by the Company are expected to improve the Company's performance and profitability.

Item No. 7

Your company is planning to sell, lease, transfer, assign or otherwise dispose of the whole or part of the office no.301, 302 & 303 situated at Rajlaxmi Complex, 16 Vijay Plot, Rajkot to raise the liquidity in the company for the better investment in the growth and development of the business and to keep the liquidity in hand to undertake projects for the progress of the company.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions setout at Item Nos. 7 of the Notice for approval by the shareholders.

Item No. 8

Your company is planning to give on lease or leave and license basis the office no. 801, 802, 803, 810, 811 & 812 situated at Alap-B, Rajkot to M/s Ace Infoway Pvt. Ltd., Rajkot as these offices are currently unutilized and lying idle. The intended lease/leave and license agreement shall help to earn rental income to the company. The rent of the property shall be at fair market value.

Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania, Jt. Managing Directors of the company are considered to be interested in the above transaction.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions setout at Item Nos. 8 of the Notice for approval by the shareholders.

Item 9.

Shri Dharamshibhai Ramjibhai Vadalia is a Non-Executive Independent Director of the Company. He joined the Board of the Company in 2001.

Shri Dharamshibhai Ramjibhai Vadalia is the Chairman of the Stakeholder Relation Committee (Erstwhile Shareholders Committee) and a member of the Nomination and Remuneration Committee and Audit Committee, of the Board of Directors of the Company.

Shri Dharamshibhai Ramjibhai Vadalia is an acumen business man and having the wide experience of business and development. A vision to lead the business in an ethical way helps the company to lead in the better governance.

Shri Dharamshibhai Ramjibhai Vadalia is a director whose period of office is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Dharamshibhai Ramjibhai Vadalia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 8th August, 2019. A notice has been received from a member proposing Shri Dharamshibhai Ramjibhai Vadalia as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Dharamshibhai Ramjibhai Vadalia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Dharamshibhai Ramjibhai Vadalia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Dharamshibhai Ramjibhai Vadalia as an Independent Director, for the approval of the shareholders of the Company.

Except Shri Dharamshibhai Ramjibhai Vadalia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item 10.

Shri Vimal Laljibhai Kalaria is a Non-Executive Independent Director of the Company. He joined the Board of the Company in 2003.

Shri Vimal Laljibhai Kalaria is the Chairman of the Audit Committee and Nomination and Remuneration Committee and a member of Stakeholder Relationship Committee, of the Board of Directors of the Company.

Shri Vimal Laljibhai Kalaria is Post Graduate Diploma in Finance and having the wide experience in Audit and Financial Management.

Shri Vimal Laljibhai Kalaria is a director whose period of office is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Vimal Laljibhai Kalaria being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 8th August, 2019. A notice has been received from a member proposing Shri Vimal Laljibhai Kalaria as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Vimal Laljibhai Kalaria fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vimal Laljibhai Kalaria as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Vimal Laljibhai Kalaria as an Independent Director, for the approval of the shareholders of the Company.

Except Shri Vimal Laljibhai Kalaria, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item 11.

Shri Pratik Kumar Chandulal Dhadhania is a Non-Executive Independent Director of the Company. He joined the Board of the Company in 2010.

Shri Pratik Kumar Chandulal Dhadhania is member of the Stakeholder Relation Committee (Erstwhile Shareholders Committee), Nomination and Remuneration Committee and Audit Committee, of the Board of Directors of the Company.

Shri Pratik Kumar Chandulal Dhadhania is Graduate in Architecture. He is the renowned person and having the high moral value. He is persistently known for the honesty and leading the business in the transparent and ethical way.

Shri Pratik Kumar Chandulal Dhadhania is a director whose period of office is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Pratik Kumar Chandulal Dhadhania being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 8th August, 2019. A notice has been received from a member proposing Shri Pratik Kumar Chandulal Dhadhania as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Pratik Kumar Chandulal Dhadhania fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Pratik Kumar Chandulal Dhadhania as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Pratik Kumar Chandulal Dhadhania as an Independent Director, for the approval of the shareholders of the Company.

Except Shri Pratik Kumar Chandulal Dhadhania, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

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

Your Directors are pleased to present the TWENTIETH ANNUAL REPORT together with the Audited Financial Statements of your Company for the Financial Year ended on 31st March, 2014 is summarized below;

FINANCIAL RESULTS:		(Amt in Rs.)	
Sr.No.	Particulars	2013-14	2012-13
1.	Revenue from operation	4,69,52,467	3,75,08,634
2.	Other Income	83,73,065	71,86,752
3.	Total Revenue	5,53,25,532	4,46,95,386
4.	Depreciation and Amortization	21,38,223	19,25,819
5.	Employee Benefit Expenses	1,49,72,088	86,92,188
6.	Finance Cost	1,71,820	2,14,675
7.	Other Expenses	3,19,50,224	2,99,24,033
8.	Profit/(loss) Before Tax (PBT)	60,93,177	39,38,671
9.	Taxation	5,341	6,365
10.	Profit/(loss) After Tax(PAT)	60,87,836	39,32,306

PERFORMANCE:

During the financial year 2013-14, your company has achieved total Revenue from sale of Software Rs.4,69,52,467/- as compared to the turnover of Rs.3,75,08,634/- of the previous year, the net profit of the company stood at Rs.60,87,836/- as compared to Rs.39,32,306/-of the previous year.

TRANSFER TO RESERVES:

The company has not transferred any sum to the General Reserve.

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 Director's Responsibility Statements, it is hereby confirmed that -

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- that the directors had 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 financial year and of the profit or loss of the company for that period ;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- that the directors had prepared the annual accounts on a going concern basis.

The Board has taken sufficient care to maintain adequate accounting records with provisions of Companies Act, 1956(to the extent applicable) and the Companies Act, 2013 (to the extent notified), to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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 relation with them.

DIRECTORS :

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania, Directors are liable to retire by rotation and being eligible, offer themselves for re-appointment, further, the Board has proposed re-appointment of Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania as Joint Managing Director and revised remuneration of them, subject to approval of Members at the ensuing Annual General Meeting.

Members are requested to re-appoint Directors and also approve revisions of remuneration and re-appointment of Joint Managing Directors. 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 disclosure 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 details 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 re-appointment as such. The Company has received letters from the auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDIT REPORT:

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

SUBSIDIARIES COMPANIES:

At the beginning of the year, we had 7 subsidiaries. During the year, we have converted following subsidiaries in to Limited Liability Partnership (LLP) as per the provisions of the LLP Act, 2008, keeping in mind the advantages of management, administration and suitability of the LLP Act, 2008 for small organizations.

1. Rajkot Computer Education Pvt. Ltd. (Now, Rajkot Computer Education LLP)
2. Aspire Exim Pvt. Ltd. (Now, Aspire Exim LLP)
3. Cosmos Services Pvt. Ltd. (Now, Cosmos Services LLP)
4. Citizen Solutions Pvt. Ltd. (Now, Citizen Solutions LLP)

5. Jubilant Exim Pvt. Ltd. (Now, Jubilant Exim LLP)

6. Speedwell Engineers Pvt. Ltd. (Now, Speedwell Engineers LLP)

The percentage interest and investment of ASEL after conversion in the above companies remains the same. During the year, The Board of Directors reviewed the affairs of the subsidiary companies. As per section 212 of the Companies Act, 1956, we are required to attach the Balance sheet, Statement of Profit and loss and other documents of subsidiaries. The Ministry of Corporate Affairs, Government of India vide its Circular No. 2/2011 dated February 8, 2011, exempted companies from complying with section 212, provided such companies publish the audited consolidated financial statements for the fiscal year 2014 and same forms part of this Annual Report. Accordingly, this Annual Report does not contain the financial statements of our subsidiaries. The Statement pursuant to section 212 of the Companies Act, 1956, highlighting the summary of the financial performance of our subsidiary is annexed to this report.

The Audited financial statements and related information of subsidiaries including the conversion of the subsidiaries to LLPs will be available for inspection during the business hours at our registered office.

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 earning and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure 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 205C of the Companies Act, 1956 and corresponding section 124 of the Companies Act, 2013 which mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund. The company has duly complied with the above provisions by transferring the amount of unclaimed or unpaid dividend to the Investor Education and Protection Fund within the due dates.

Pursuant to the provisions of the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Company) as on 28th September, 2013 (date of last Annual General Meeting) on the website of the Company (www.acesoftex.com) and also on the website of Ministry of Corporate Affairs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Certificate under clause 49(V) of listing agreement provided in the Certification section of the Annual Report discusses the adequacy of our internal control system and procedures.

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.

ANNEXURE 'A' TO THE DIRECTOR'S REPORT

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

1. Consumption & Conversation 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 quality of its service and products.

3. Foreign Exchange earnings and outgo

Particulars	2013-14	2012-13
Foreign Exchange earning	(USD 7,73,863.45) (INR 4,69,52,467)	(USD 6,92,228.74) (INR 3,75,08,634)
Foreign Exchange Outgo	(USD 3533) (INR 2,48,583)	(USD NIL) (INR NIL)

4. Management Discussion and Analysis reports

a. Industry Structure &Development :

The Company's business relates to database creation (E-Publishing) pertaining to Information technology enabled services. This includes creating large volume full text, image based databases.

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 Corporate Policies. The company has a cross-functional internal Audit team with pre-determined roles, responsibility and authorities. The team ensures an appropriate information flow and effective monitoring. The company has appointed Shri Dipak Dave, who is having more than 22 years of experience in the Audit and Taxation related matters, as an internal auditor for the better control and compliance. The finding and recommendations of the Team are reviewed by the Audit Committee periodically.

e. Discussion on financial performance with respect to operation 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, 2014 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, 2014 :

Name of the Directors Founder and Executive\Director	Designation	Age	Qualification	Other Directorship
Mr. Vikram Sanghani DIN: 00183818	Jt. Managing Director	51	MBA (Finance)	Ace Infoworld Pvt Ltd. Ace Infoway Pvt. Ltd. Ace eEngineersonline Pvt. Ltd. Ace Computer Education Pvt. Ltd. Everest Office Owners Asso. Pvt. Ltd. Ace Riverside Pvt. Ltd.
Mr. Sanjay Dhamsania DIN : 00013892	Jt. Managing Director	52	MS (Computer Science)	Ace Infoworld Pvt Ltd. Ace Infoway Pvt. Ltd. Ace eEngineersonline Pvt. Ltd. Ace Computer Education 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 DIN : 02931106	Director	42	Graduate in Architecture	-
Mr. Vimal Kalaria DIN : 00029395	Director	41	Post Graduate Diploma in Finance	-
Mr. Dharamsinh R. Vadalia DIN : 00015165	Director	62	Under Graduate	Dipak Agro Oil Mill Pvt. Ltd.

3. 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 DIN : 00183818	Executive & Non Independent	1275205	6	1	-	6	Yes
Sanjay Dhamsania DIN : 00013892	Executive & Non Independent	171230	6	1	-	6	Yes
Pratik Kumar Dadhaniya DIN : 02931106	Non-Executive & Independent	Nil	-	3	-	6	Yes
Vimal Kalaria DIN : 00029395	Non-Executive & Independent	1000	-	3	2	6	No
Dharamsinh R. Vadalia DIN : 00015165	Non-Executive & Independent	Nil	1	3	1	6	No

Includes shares held in individual capacity HUF Account and jointly with other shareholder.

@ Excludes directorship in Ace Software Exports Ltd.

4. Board Meetings

The Board of Directors met 6 times during the year 2013-14.

Date of Board Meeting during the financial year 2013-2014.

29.05.2013, 10.08.2013, 9.11.2013, 09.01.2014, 06.02.2014 and 17.02.2014

5. Audit Committee:

The Audit Committee of the Company consists of three Independent Directors. The Audit Committee met 4 times during the year

Name	Designation	No. of Committee meetings attended
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Mr. Vimal L Kalaria	Chairman	4
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Mr. Pratik C. Dadhaniya	Member	4
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Mr. Dharamsinh R. Vadalia	Member	4
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Mr. Nellickal I. Thomas, Company Secretary and Compliance officer, had acted as the Secretary to the Committee for the financial year 2013-14.

6. Nomination and Remuneration Committee:

The remuneration committee (erstwhile) of the Company re-constituted as Nomination and Remuneration Committee (on 30.05.2014) for identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every directors' performance and reviews and considers matters relating to remuneration for the directors, Key managerial personnel and other employees.

Name of Member	Designation	No. of Committee meetings attended
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Vimal L Kalaria	Chairman	3
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Pratik C. Dadhaniya	Member	3
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Dharamsinh R. Vadalia	Member	3
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Ace Software Exports Ltd.

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

Name of Exec. Director	Salary (Rs.)	Medical Exp (Rs.)
Vikram B Sanghani	17,85,000	15,000
Sanjay H Dhamsania	17,85,000	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.

7. Shareholders Committee:

Shareholders Committee (Erstwhile) of the company re-constituted as Stakeholder Relation Committee (on 30/05/2014) for considering and resolving the grievances of security holders of the Company.

Name of Member	Designation	Category
Dharamshibhai R. Vadhia	Chairman	Non-Executive Independent Director
Pratik C. Dadhaniya	Member	Non-Executive Independent Director
Vikram B. Sanghani	Member	Executive Director
Sanjay H. Dhamsania	Member	Executive Director

Mr. Nellickal I. Thomas, Company Secretary, had been designated as the compliance officer of the company for the financial year 2013-14.

The Company has not received any investors' complaints during the year 2013-14; neither there was any pending investors' complaint as on 31st March, 2014.

8. 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
25.09.2011	11.00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	Nil
29.09.2012	11:00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	Nil
28.09.2013	11:00 A.M.	801, "Everest" Comm. Complex, Opp. Shastri Maidan, Rajkot – 360 001	Remuneration to Managing Director

9. Disclosures:

i) Significant related party transactions:

There were no materially significant related party transactions, during the year ended 31.03.2014 that may have any potential conflict with interest of the company at large. Attention of the members is drawn to the Disclosures of Transactions with Related Parties set out in Schedule-23 (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 authorities, 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 dematerialized shares held with NSDL and CDSL.

10. 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.

11. Vigilance Mechanism Policy (Whistle Blower Policy)

The company has established the Vigilance Mechanism Policy (Whistle Blower Policy) for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct .

The policy is also posted on the website of the company (www.acesoftex.com)

12. Disclosure as per Schedule V of the Companies Act, 2013:

(i) all elements of remuneration package is as given in the statement pursuant to section 102 of the notice of the AGM (item no. 5 and 6)

(ii) Remuneration is decided by the Board on recommendation of the Remuneration Committee (Now, Nomination and Remuneration Committee) and it is fixed component basis, details of the remuneration given in past is elaborated in the statement pursuant to section 102 of the notice of the AGM (item no. 5 and 6)

(iii) Service contracts, notice period, severance fees.(given in the statement pursuant to section 102 of the notice of the AGM (item no. 5 and 6))

(iv) Stock option: N. A.

13. The Company has set up the

General Shareholder's information:

General Information of the Company

CIN of the Company:

Name of the Company:

Registered office of the company:

Website:

E-mail ID:

Financial Year reported:

i) Annual General Meeting:

Date : 9th August, 2014

Time : 11.00 A.M.

Venue : 801-Everest Commercial Complex, Opp. Shashtri Maidan, Rajkot-36001

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 9th August, 2014.

ii) Financial Year:

Tentative Schedule for the Financial Year 2014-15:

For the quarter ended on June 30, 2014 : First or Second week of August, 2014

For the quarter ended on September 30, 2014 : First or Second week of November, 2014

For the quarter ended on December 31, 2014 : First or Second week of February, 2015

For the quarter ended on March 31, 2015 : Third or Fourth week of May, 2015

iii) Date of Book Closure:

2nd August, 2014 to 9th August, 2014 (Both inclusive)

iv) Dividend Payment Date:

As the Board of Directors' have not recommended any dividend on equity shares for FY 2013-14, hence no dividend is payable to the shareholders.

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Ace Software Exports Limited

801 Everest Commercial Complex, opp:Shastri Maidan, Rajkot-360001

www.acesoftex.com

investorinfo@acesoftex.com

2013-14



v) **Listing on the Stock Exchange:**

The Equity shares of the Company are listed on the BSE Ltd., Mumbai. The Company is regularly in payment of Annual Listing Fees to the BSE. There has been no change in share capital of the Company during the year 2013-14.

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

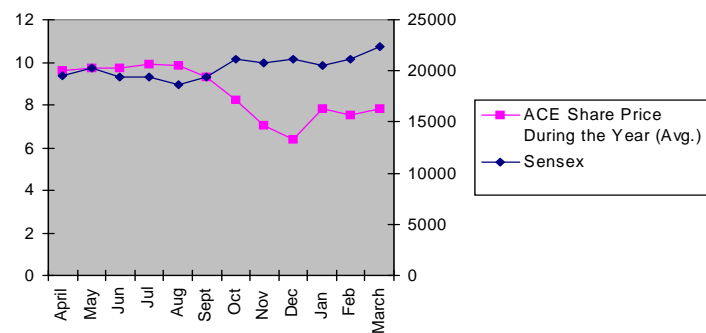
531525-(The BSE Ltd., Mumbai)

ISIN: INE849B01010

Market Price:

Month	High	Low
April-13	10.00	9.22
May-13	9.71	9.70
June-13	9.71	9.70
July-13	10.60	9.22
Aug-13	10.10	9.55
Sep-13	9.32	9.32
Oct-13	8.83	7.61
Nov-13	7.23	6.87
Dec-13	7.22	5.52
Jan-14	8.78	6.88
Feb-14	8.35	6.70
March-14	8.38	7.28

vii) **Performance in comparison to BSE (SENSEX)**



viii) **Registrar and Share Transfer Agent (RAT):**

Link Intime India Pvt. Ltd. (Ahmedabad Branch Office)

303, Shopper Plaza, V- Opp. Municipal Market, Of. C. G. Road, Navrangura, Ahmedabad- 380 009 Phone 079-26465179

Email Id- Ahmedabad@linkintime.co.in

ix) **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.

x) **Distribution of shareholding (As on 31st March, 2014)**

Share or Deb.	No. of	% of Holder	No. of	% of Shares/Deb.
From To	Shareholders		Shares held	
1 500	2960	84.43	546150	11.67
501 1000	307	8.76	255652	5.46
1001 2000	126	3.59	192676	4.12
2001 5000	66	1.88	218789	4.68
5001 10000	14	0.40	103066	2.20
10001 20000	6	0.17	91550	1.96
20001 50000	12	0.34	384364	8.21
Above 50000	15	0.43	2887753	61.70
Total	3506	100.00	4680000	100.00

xi) **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, 2014, 90.66% of total paid-up equity shares capital of the Company has been dematerialized.

xii) **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, 2014.

xiii) **Facility Location:**

801, Everest Commercial Complex, Opp. Shastri Maidan, Rajkot-36001

xiv) **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 and compliance officer

Ace Software Exports Ltd. 801, Everest Commercial Complex, Opp. Shashtri Maidan, Rajkot-360001

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(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 the best Corporate Governance practices, and expects that all Board Members and Core management team adhere to this Code of Conduct. The policy is also posted on the website of the company (www.acesoftex.com)

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.

Date: 30.05.2014

Place: Rajkot

(Vikram B. Sanghani)

Jt. Managing Director

(Pratik C. Dadhaniya)

Director

CERTIFICATE FOR FINANCIAL STATEMENTS (CLAUSE 49V OF LISTING AGREEMENT)

To,
The Board of Directors,
Ace Software Exports Limited,
Rajkot.

We, Vikram B. Sanghani, the Managing Director appointed in terms of the Companies Act, 1956, and Jyotin B. Vasavada, Manager Accounts (Appointed as CFO w.e.f 02.06.2014), to the best of our knowledge and belief, certify that:

- We have reviewed financial statements and the cash flow statement for the year and that 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 a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have disclosed, based on our most recent evaluation of the Companies' Internal Control over Financial Reporting, whenever applicable, to the auditors and the Audit committee
- There were no significant changes in internal control over financial reporting during the year;
- All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
- There were no instances of significant fraud of which we are aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.



Place: Rajkot
Date: 30.05.2014

(Vikram B. Sanghani)
Jt. Managing Director

(Jyotin B. Vasavada)
Manager Accounts

INDEPENDENT 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, 2014, 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, 2014;
- (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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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 30th May 2014

Membership No. 41432

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the head "Report on other legal and regulatory requirements" of our report of even date)

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. 60,000.
- (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, 2014 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
Membership No.41432

Rajkot, Dated 30th May 2014