

TWENTY FIRST ANNUAL REPORT 2014-2015



Ace Software Exports Limited

Ace Software Exports Ltd.

ACE SOFTWARE EXPORTS LIMITED

Reg. Off. 801, "Everest", Opp. Shashtri Maidan, Rajkot-360001 (Gujarat)
Phone: 0281- 2226097, Fax: 02812232918, Email: Investorinfo@acesoftex.com
CIN: L72200GJ1994PLC022781, Website: www.acesoftex.com

CORPORATE INFORMATION

Board of Directors:

Vikram B. Sanghani

Joint Managing Director

Sanjay H. Dhamsania

Joint Managing Director

Dharmsibhai R. Vadaliya

Independent Director

Vimal L. Kalaria

Independent Director

Pratik C. Dadhania

Independent Director

Dhara S. Shah*

Additional Director

Jyotin B. Vasavada

Chief Financial Officer

CS Jayram K. Vachhani

Company Secretary & Compliance Officer

Statutory Auditors:

M/s. Kalaria & Sampat,

Chartered Accountants,
Rajkot

Secretarial Auditor:

Ms. Hemali S. Patel

Practicing Company Secretary
Rajkot

Consultant:

MJP Associates,

Practicing Company Secretaries

Internal Auditor:

Dipak Dave

Bankers

Bank of Baroda

HDFC Bank Ltd.

Axis Bank Ltd.

Registered Office:

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

*Appointed w.e.f 29th September, 2014



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Notice is hereby given that the Twenty first Annual General Meeting of the members of Ace Software Exports Limited will be held on Saturday, September 26, 2015 at 11.00 a.m. at 801, Everest Commercial Complex, Opp. Shashtri Maidan, Rajkot-360001, Gujarat, to transact following businesses:

Ordinary Business

- To consider and adopt:
 - the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
- To appoint a Director in place of Vikram B. Sanghani (DIN: 00183818), who retires by rotation and, being eligible, seeks re-appointment.
- To appoint a Director in place of Sanjay H. Dhamsania (DIN: 00013892), who retires by rotation and, being eligible, seeks re-appointment.
- To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s. Kalaria & Sampat, Chartered Accountants (Firm Reg. No. 104570W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.

Special business:

5. To appoint Ms. Dhara S Shah as an Independent Director

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 section 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. Ms. Dhara S. Shah (DIN: 06983857), a non executive director appointed as an additional director on 29th September, 2014, who has submitted a declaration that she 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 her 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 26th September, 2015 to 25th September, 2020.

6. To revise remuneration of Shri Vikram B. Sanghani (DIN: 00183818), Joint Managing Director

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 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 Nomination & Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby accorded for the revision in remuneration of Shri Vikram B. Sanghani (DIN: 00183818), Jt Managing Director of the Company, with effect from 1st April, 2015 to 31st March, 2018, for three years, 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 increase remuneration upto 10% of overall remuneration at the beginning of every financial year and alter and vary the terms and conditions of the remuneration as it may deem fit and as may be acceptable to Shri Vikram B. Sanghani, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

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."

7. To revise remuneration of Shri Sanjay H. Dhamsania (DIN: 00013892), Joint Managing Director

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 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 Nomination & Remuneration Committee of the Board of Directors of the Company, approval of the Company be and is hereby accorded for the revision in remuneration of Shri Sanjay H. Dhamsania (DIN: 00013892), Jt Managing Director of the Company, with effect from 1st April, 2015 to 31st March, 2018, for three years, 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 increase remuneration upto 10% of overall remuneration at the beginning of every financial year and 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, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

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 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."

By Order of the Board of Directors

Jayram K. Vachhani

Company Secretary & Compliance Officer

August 14, 2015

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

Notes:

- 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.

- 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 HIS/HER BEHALF 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.

- The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which *inter alia* would contain details about User ID and password along with a copy of this Notice to the members, separately.

- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

- In terms of Section 152 of the Companies Act, 2013, Vikram B. Sanghani (DIN: 00183818) and Sanjay H. Dhamsania (DIN: 00013892), Directors, retire by rotation at the Meeting and being eligible, offer themselves for reappointment. The Board of Directors of the Company commend their respective re-appointments.

- Members are requested to bring their attendance slip along with their copy of Annual Report to 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 and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

- The Company has notified closure of Register of Members and Share Transfer Books from Monday, September 21, 2015 to, Saturday, September 26, 2015 (both days inclusive).

- The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of 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 August 9, 2014 (date of last Annual General Meeting) on the website of the Company (www.acesoftex.com), as also on the website of the Ministry of Corporate Affairs.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below;

Financial year	Date of Declaration of Dividend	Last date for claiming Ended unpaid Dividend
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 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.

- 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.

- 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 to the Company /RTA

- Non-Resident Indian Members are requested to inform 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, 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 for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

- 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.

- All the statutory registers under Companies Act, 2013 will be available for inspection by the members at the AGM.

- Members may also note that the notice of the 21st AGM and the Annual Report 2015 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@acesoftware.com.

19. 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 requested to write their folio number in Attendance Slip for attending the meeting.
20. Members are advised to refer to the information provided in the Annual Report.
21. **Information and other instructions relating to e-voting are as under:**

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper/polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 23rd September, 2015 (9:00 am) and ends on 25th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz: "Acesoftware.e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - **Login**
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of ACE SOFTWARE EXPORTS LIMITED
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rajan_bhimani@yahoo.co.in with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or **RTA**. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990. or at 022-24994600, who will address the grievances with the electronic voting
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. CA Rajan Bhimani, Practising Chartered Accountant, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.acesoftware.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos 2,3 & 5 of the accompanying notice.

Item No. 2 and 3.

Pursuant to the provisions of Secretarial Standard on General Meetings and other applicable provisions of any other law, details of directors proposed to be re-appointed are as under:-

Brief Resume of Shri Vikram B. Sanghani

Mr. Sanghani has been leading the ACE group since 1992. He is one of the founder promoters of the Company and is associates 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, Mr. Sanghani 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. Mr. Sanghani 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. Mr. Sanghani has an MBA from the Bajaj Institute of Mumbai.

Brief Resume of Shri Sanjay H. Dhamsania

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. Mr. 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. Terms and conditions of appointed will be the same as provided in the Annual report 2013-14 of the company.

Both the directors are holding the directorship since the incorporation of the company. No. of Board Meeting attended, Directorship held in other companies and Membership in the various committees are given in the Director's Report. Holding of shares in the company:-

Vikram B. Sanghani (Individually): 5, 43,773 equity shares
 Vikram B. Sanghani (Jointly/other capacity):- 7, 16,392 equity shares
 Sanjay H. Dhamsania (Jointly/other capacity): 7, 86,190 equity shares
 Board Commends ordinary resolution for the item no. 2 & 3 of the notice of AGM.

Except for Vikram B. Sanghani and Sanjay H. Dhamsania and their relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution at Item No.2 and 3 of the accompanying Notice

Item No. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have proposed that Ms. Dhara S. Shah, who was appointed as an additional director of the Company on 29th September 2014 and whose term as an additional director expiry at the ensuing Annual General Meeting and in whose favour notice has been received from a member proposing her as a candidate for the office of directors of the company, be appointed as an Independent Director.

Brief Resume of Ms. Dhara S. Shah

Ms. Dhara S. Shah holds a Bachelor's Degree in Commerce, degree of LL.B. She is practicing company secretary and Associates Member of ICSI. She has a wide experience of consultancy in the field of Companies Act, Listing Agreement and related compliances.

In the opinion of the Board, She fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and She is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Ms. Dhara S. Shah, as an Independent Director for the term of 5 years from 26th September, 2015 to 25th September, 2020, is now being placed before the Members for their approval.

The terms and conditions of their respective appointments shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Board Commends ordinary resolution for the item no. 5 of the notice of AGM.

Except Ms. Dhara Shah, None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution at Item No.5 of the accompanying Notice.

Item 6 & 7

The Board of Directors of the Company and Nomination and Remuneration Committee, at the meeting held on 13th August, 2015 has, subject to the approval of members, revised remuneration of Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania, Joint Managing Directors for a period of 3 (Three) years effective from 1st April, 2015.

It is proposed to seek the members' approval for revised 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 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 with effect from 1st April, 2015 for **Three Year**, subject to the revision/increase in remuneration by the Nomination and Remuneration Committee and Board of Directors upto 10% of overall remuneration at the beginning of every financial year, is as follows:

1. Salary per month: Rs. 1,73,750/- per month till the tenure as specified in Schedule V of the Companies Act, 2013 and with the authority to the Board of Directors and Nomination and Remuneration Committee to increase the same upto 10% of overall remuneration at the beginning of every financial year and in accordance with the limits specified in Schedule V of the Companies Act, 2013.
2. Perquisites: Medical reimbursement: upto Rs. 1250/- per month.



3. Commission:
Such remuneration by way of commission, in addition to the salary and perquisites and allowance 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.
4. Allowances/other perquisites: Petrol, travelling and any other allowances and perquisite as approved by the Nomination and Remuneration Committee and Board of Directors.
- (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 and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
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. They are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.
Shri Vikram B. Sanghani and Shri Sanjay H. Dhamsania are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice, which pertain to their respective revised remuneration.
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. 6 and 7 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 are, in any way, concerned or interested, financially or otherwise, in these resolutions.
The Board commends the Special Resolutions set out at Item Nos. 6 and 7 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. The Company had since commenced its business.
- (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 2014-15		FY 2013-14		FY 2012-13	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Revenue	662.54	689.19	553.25	584.92	446.95/-	476.85/-
Profit Before Tax	38.65	49.94	60.93	81.98	39.39/-	20.02/-
Profit For the period	38.65	47.47	60.88	78.99	39.32/-	20.71/-

- (5) *Foreign investments or collaborators, 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 in note 2 and 3 of the explanatory statement.

- (2) *Past remuneration (last two years):*
(Rs. in lakhs)

	Shri Vikram B. Sanghani		Shri Sanjay H. Dhamsania	
	2014-15	2013-14	2014-15	2013-14
Salary	19.05/-	17.85/-	19.05/-	17.85/-
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 associates 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.
- (6) *Comparative remuneration profile with respect to industry, size of the company:*
Remuneration given and proposed is as per the industrial and geographical standard and It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (7) *Pecuniary relationship with company:* Mr. Vikram B. Sanghani and Mr. Sanjay H. Dhamsania are promoters and KMP of the Company.

III. Other information:

- (1) *Reasons of loss or inadequate profits*
Due to the competitive market, Company is unable to charge higher rate from customer which resulted into limited/inadequate profit.
- (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 sale, service, marketing.
- (3) *Expected increase in productivity and profits in measurable terms.*
Though the Company is witnessing a continued slowdown, in anticipation of revival of the overall economy in future, the aforesaid steps taken/ to be taken by the Company are expected to improve the Company's performance and profitability

By Order of the Board of Directors
Jayram K. Vachhani
Company Secretary & Compliance Officer
August 14, 2015
Reg. Off. 801, "Everest", Opp. Shashtri Maidan, Rajkot-360001 (Gujarat)
Phone: 0281-2226097, Fax: 02812232918,
Email: Investorinfo@acesoftex.com
CIN: L72200GJ1994PLC022781, Website: www.acesoftex.com



DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the twenty first Annual Report and the Company's audited financial statement for the financial year ended March 31, 2015.

FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended March 31, 2015 is summarized below;

Sr. No.	Particulars	Standalone		Consolidated	
		2014-15	2013-14	2014-15	2013-14
1.	Revenue from operation	5,91,51,279/-	4,69,52,467/-	5,91,69,079/-	4,69,70,967/-
2.	Other income	71,02,796/-	83,73,065/-	97,49,464/-	1,15,21,515/-
3.	Total Revenue	6,62,54,075/-	5,53,25,532/-	6,89,18,543/-	5,84,92,482/-
4.	Depreciation & Amortization	61,58,980/-	21,38,223/-	74,72,176/-	28,68,393/-
5.	Employee Benefit expenses	1,99,64,017/-	1,49,72,088/-	1,99,64,017/-	1,49,72,088/-
6.	Finance Cost	3,07,207/-	1,71,820/-	3,14,824/-	1,76,700/-
7.	Other expenses	3,59,59,050/-	3,19,50,224/-	3,61,73,056/-	3,22,77,214/-
8.	Profit/(loss) before tax (PBT)	38,64,821/-	60,93,177/-	49,94,470/-	81,98,087/-
9.	Taxation	(146)	5,341/-	2,36,152/-	2,72,885/-
10.	Profit/(loss) After Tax(PAT)	38,64,967/-	60,87,836/-	47,58,318/-	79,25,202/-

The highlights of the Company's Performance are as under:

Revenue from operations increased by 25.98% (Standalone)

Revenue from operations increased by 25.97% (Consolidated)

TRANSFER TO RESERVES:

The Company has not transferred any sum to the General Reserves.

DIVIDEND:

With a view to plough back profit of the year and in order to conserve resources for operational purposes, the board of directors of your company does not recommend any dividend for the year.

MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

No significant and material orders passed by the regulators or courts or tribunals impacting going concern status and Company's operations in future.

FIXED DEPOSITS/DETAILS OF DEPOSIT

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Accepted during the year

Nil

Remained unpaid or unclaimed as at the end of the year

Nil

Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved

N.A.

Details of Deposits which are not in compliance with the requirements of Chapter V of the Act

N.A.

EXTRACTS OF ANNUAL RETURNS:

Pursuant to Section 134(3) (a) of Companies Act, 2013, extract of the annual return is appended as **Annexure-1** to the Board's Report.

BOARD OF DIRECTORS AND MEETING:

Name of Directors Founder and Executive/Director	Designation	Age	Qualification	Other Directorship
Mr. Vikram Sanghani DIN: 00183818	Jt. Managing Director	52	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	53	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	43	Graduate in Architecture	-
Mr. Vimal L. Kalaria DIN : 00029395	Director	42	Post Graduate Diploma in Finance	-
Mr. Dharamibhai R. Vadalia DIN : 00015165	Director	63	Under Graduate	Dipak Agro Oil Mill Pvt. Ltd. Ace Infoworld Private Limited
Ms. Dhara S. Shah DIN: 06983857	Additional Director	26	B.Com, CS, LL.B	Mayur Floorings Limited Vishal Fabrics Limited

Six board meetings were held during the year ended on March 31, 2015. These were held on May 30, 2014, August 6, 2014, September 29, 2014, November 14, 2014, February 12, 2015 and March 12, 2015.

Name of Directors	Designation	No. of Meetings	
		Held	Attended
Vikram Bhupatbhai Sanghani	Jt. Managing Director	6	5
Sanjay Harilal Dhamsania	Jt. Managing Director	6	4
Vimal Kalaria	Independent Director	6	6
Dharamshi Vadalia	Independent Director	6	6
Pratik Dadhaniya	Independent Director	6	6
Dhara Shah*	Additional Director	6	3

* Ms. Dhara Shah appointed as an additional director of the company on September 29, 2014.

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non independent directors and members of the Management. All the independent directors of the Company shall strive to be present at such meetings. The meeting shall review the performance of non independent directors and the Board as a whole; review the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonably perform its duties.

Meeting of Independent Directors was held on March 12, 2015.

Terms and conditions of appointment of Independent directors uploaded on the website of the company. <http://acesoftex.com/uploads/IndependentDirector/Brief%20Profile%20and%20terms%20and%20conditions%20of%20appointment.pdf>

COMMITTEE:

Audit committee:

Audit Committee has been reconstituted as per the provision of section 177 of the Companies Act, 2013 and listing agreement.

The Audit Committee Meeting.

Four meetings were held during the year ended on March 31, 2015. These were held on May 29, 2014, August 5, 2014, November 13, 2014 and February 12, 2015.

Name	Designation	No. of Meetings	
		Held	Attended
Vimal Kalaria (Non-Executive Independent Director)	Chairman	4	4
Dharamshi Vadalia (Non-Executive Independent Director)	Member	4	4
Pratik Dadhania (Non-Executive Independent Director)	Member	4	4

Nomination and Remuneration Committee (NRC) :

NRC identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carries out evaluation of every director's performance and works as per the policy formulated thereof.

Four meetings were held during the year ended on March 31, 2015. These were held on May 29, 2014, September 15, 2014, November 13, 2014 and February 12, 2015.

Name	Designation	No. of Meetings	
		Held	Attended
Vimal Kalaria (Non-Executive Independent Director)	Chairman	4	4
Dharamshi Vadalia (Non-Executive Independent Director)	Member	4	4
Pratik Dadhania (Non-Executive Independent Director)	Member	4	4

Details of Remuneration paid to executive directors, independent directors and KMPs during the year is given under the Annexure -1 (Extract of Annual Return)

Stakeholders Relationship Committee

Constituted for considering and resolving grievances of security holders and dissemination of information to shareholders

Four meetings were held during the year ended on March 31, 2015. These were held on April 28, 2014, July 23, 2014, October 18, 2014 and February 12, 2015.

Name	Designation	No. of Meetings	
		Held	Attended
Dharamshi Vadalia (Non-Executive Independent Director)	Chairman	4	4
Pratik Dadhania (Non-Executive Independent Director)	Member	4	4
Vikram Sanghani (Executive Director)	Member	4	4
Sanjay Dhamsania (Executive Director)	Member	4	4

AUDITORS

STATUTORY AUDITOR

Kalaria & Sampat, Chartered Accounts, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

Hemali S. Patel, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

The secretarial audit report for FY 2014-15 forms part of the Annual Report as **Annexure- 2** to the Board's report. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SUBSIDIARIES AND ASSOCIATES:

During the year, the Board of Directors ('the Board') reviewed affairs of the subsidiaries. In accordance with section 129 (3) of the Companies Act, 2013, we have prepared consolidated financial statements of the company and all its subsidiaries, which form part of the Annual Report. Further, a statement of our subsidiaries containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended to the consolidated financial statements and hence not repeated here for the sake of brevity.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and other applicable provisions of the Listing Agreement.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Nature of transaction	Name of person	Amount of Loan (In Rs.)	Purpose of loan
Loan	Shriji Enterprise@	10,00,000/-^	Business Purpose
Loan	Rajkot Computer Education LLP#	10,000/-*	Business Purpose
Loan	Jubilant Exim LLP#	10,000/-*	Business Purpose
Loan	Speedwell Engineers LLP#	10,000/-*	Business Purpose
Loan	Cosmos Services LLP#	10,000/-*	Business Purpose
Loan	Citizen Solutions LLP#	10,000/-*	Business Purpose
Loan	Aspire Exim LLP#	10,000/-*	Business Purpose

^ Re-paid Rs. 3, 00,000/- during the year.

* Amount was repaid during the year

@ Being the third party, not covered under section 185 and 189 of the companies act, 2013

Wholly Owned Subsidiary.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided here under.

(A) Conservation of energy

- the Steps taken or impact on conservation of energy
Company is ever mindful of the need for energy conservation, not only as a method of cost reduction, but also because it is a global imperative. We have ensured that the following measures are institutionalized across all our facilities:
 - i. Optimal cooling of work areas and data centers.
 - ii. Switching off computers when not in use.
 - iii. Utilization of lights and stand alone air conditioners only when required.
 - iv. Minimal usage of AC s and lights during weekend.
- the steps taken by the company for utilizing alternate source of energy & Capital investment on energy conservation equipments
At present, Company has not utilized any alternate source of energy and emphasize on the Conservation of energy and be frugal in utilizing the energy.
- Impact of these measures:
Taking effective measurements in saving energy has significantly benefitted the company.

(B) Technology absorption:-

- the efforts made towards technology absorption, benefit derives & Research and Development
 - i. Company has made continues effort to develop technology for the better out puts and reduction of cost. With the change of time it is essential to be updated with the latest equipments and technology to serve our client better. Company consistently strives to absorb latest technology suitable to industry size and clients need. Company has not incurred any expenses for research and development.

(c) Foreign exchange earnings and outgo :-

Particulars	2014-15	2013-14
Foreign Exchange earning	(USD 9,49,946.42)(INR 5,85,50,495)	(USD 7,73,863.45)(INR 4,69,52,467)
Foreign Exchange Outgo	(USD 1,200)(INR 74,040)	(USD 3,533)(INR 2,48,583)

RISK MANAGEMENT:

The Company continues to use risk management frame work adopted by board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company's management systems, organizational structures, processes, standards, code of conduct that governs how the Company conducts the business and manages associated risks.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to section 135 of the Companies Act, 2013, every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee. Our company has not triggered any of the above limits; hence, no committee in this regard has been constituted.

DETAILS OF DIRECTORS/KMP WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR & LIABLE TO RETIRE BY ROTATION

During the financial year 2014-15 following directors/KMPs were appointed or have resigned.

Name	Designation	Appointment/Resignation	Date of Appointment/Resignation
N. I. Thomas	Company Secretary & Compliance Officer	Resignation	02.06.2014
Jayram K. Vachhani	Company Secretary & Compliance Officer	Appointment	02.06.2014
Jyotin B. Vasavada	Chief Financial Officer	Appointment	02.06.2014
Dhara S. Shah	Woman Director (Additional Director-Non Executive)	Appointment	29.09.2014

RETIRE BY ROTATION

Pursuant to the provisions of section 152(6) of the Companies Act, 2013, Vikram Bhupatbhai Sanghani and Sanjay Harilal Dhamsania, Directors are liable to retire by rotation and being eligible offer themselves for re-appointment.

Further, Ms. Dhara S. Shah, additional director, appointed on 29.09.2014, whose tenure expires on the date of this Annual General Meeting and a notice in writing has been received from a member under section 160 of the Companies Act, 2013 proposing her candidature as an independent director of the company for the term of 5 years. She has furnished a declaration under section 149(6) of the Companies Act, 2013 and in the opinion of the Board she fulfils the conditions specified in the Act and rules made thereunder and is independent of the management.

Appointment is recommended by Nomination and Remuneration Committee.

BOARD'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(5), of the Companies Act, 2013 with respect to Director's Responsibility Statements, it is hereby confirmed that -

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

FORMAL ANNUAL EVALUATION & POLICY RELATING TO REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Nomination and remuneration committee has laid down the standard procedure and method for evaluation of performance of each directors, key managerial personnel and members of the committees.

Policy for Selection of Directors and determining Directors' independence

1. Introduction

- 1.1 Ace Software Exports Limited (ASEL) believes that an enlightened and combination of youth with experience Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, ASEL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 ASEL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. ASEL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **"Director"** means a director appointed to the Board of a company.
- 3.2 **"Nomination and Remuneration Committee"** means the committee constituted by ASEL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, whenever applicable.
- 3.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement, whenever applicable.

4. Policy:

4.1 Qualifications and criteria

- 4.1.1 The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- 4.1.2 In evaluating the suitability of individual Board members, the NRC may take into account factors, such as:
 - General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
 - Shall possess a Director Identification Number;
 - Shall not be disqualified under the Companies Act, 2013;
 - Shall give his written consent to act as a Director;
 - Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.
- 4.1.4 The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

- 4.2.1 The NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4.2.2 The criteria for appointment/re-appointment of independence is as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, whenever applicable.
- 4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
 - 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
 - 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
 - 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.
- For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction

- 1.1 Ace Software Exports Limited (ASEL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
 - 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
 - 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
 - 1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 **"Director"** means a director appointed to the Board of the Company.

3.2 **"Key Managerial Personnel"** means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 **"Nomination and Remuneration Committee"** means the committee constituted by ASEL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and applicable clause of the Equity Listing Agreement.

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NRC and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors

4.2.1 The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

4.3 Remuneration to other employees

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

PARTICULARS OF EMPLOYEES

The table containing particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure -3** to the Board's report.

There are no employees in the Company drawing remuneration who are in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of the complaints received and disposed off during the financial Year 2014-15:

- a) No. of complaints received: NIL
- b) No. of complaints disposed off: NIL

VIGIL MECHANISM

The Company has established a whistle blower policy and also established a mechanism for directors and employees to report their concerns. The same has been uploaded on the website of the company link to open the policy is http://acesoftex.com/VIGIL_POLICY.pdf

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related party transactions as required under Section 134(3)(h) of the Companies Act 2013, r/w Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure - 4**.

GENERAL INFORMATION

AGM held during the financial year: 9th August, 2014

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. 6 and 7)
- ii) Remuneration is decided by the Board on recommendation of the 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. 6 and 7)
- iii) Service contracts, notice period, Severance fees;(given in the statement pursuant to section 102 of the notice of the AGM (item no.6 and 7)
- iv) Stock option: N.A.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the investors, banks, regulatory and governmental authorities. 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 & on behalf of Board of Directors

Sd/-
Vikram B. Sanghani
Jt. Managing Director
DIN : 00183818

Sd/-
Pratik C. Dadhania
Director
DIN: 02931106

Date: 13.08.2015
Place: Rajkot

