



COMPLETE
ENTERTAINMENT

ACE INDIA
LIMITED

15th
Annual Report
2008 - 2009

Board of Directors

VED PRAKASH NARULA

(Managing Director)

VIRENDER KUMAR KATHURIA

(Director)

MAMTA NARULA

(Director)

B. S. GOYAL

(Director)

Auditors

RAJESH ARJUN & CO.

Chartered Accountants

Bankers

CANARA BANK

HDFC BANK

Registered Office

2/100, Scheme 10B, R.H.B. Colony

Alwar, Rajasthan

Registrar and Transfer Agent

Beetal Financial & Computer Services (P) Ltd.

99, Madan Gir, Behind Local Shopping Centre, Near Dada Harsukh Nath Mandir

New Delhi-110 062

Ph. : 29961281-82 Fax : 29961284

NOTICE

Notice is hereby given that 15th Annual General Meeting of the Members of the Company will be held on Tuesday, the 29th day of September 2009, at 11.30 A.M. at PREM PAVITRA BHOJNALAYA, Shri Hans Tower, 35-B, Moti Dungri, Alwar (Rajasthan) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2009 and Profit & Loss Account for the period ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Virender Kumar who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and for this purpose to consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :-

"RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s Rajesh Arjun and Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company".

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act, 1956 and subject to the approval of the Members and further subject to the confirmation of Company Law Board, the Registered Office of the Company be shifted from the State of Rajasthan to National Capital Territory of Delhi.

RESOLVED FURTHER that Clause II of the Memorandum of Association of the Company be altered by incorporating the words the 'National Capital Territory of Delhi' in substitution of and deletion of the word 'State of Rajasthan'.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file a petition before the Company Law Board, to file Memorandum of Appearance, to appoint counsel and to do all acts as may be deemed necessary in this matter."

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

"RESOLVED THAT in accordance with the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, and the enabling provisions in the Memorandum and Article of Association of the Company, the listing agreement entered into by the company with the stock exchanges where the shares of the company are listed and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and

Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and clarifications thereon issued from time to time, if any, and all such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of directors of the company, the consent of the company be and is hereby accorded to the Board to create, issue/offer and allot 18,00,000 (Eighteen lacs) Zero Coupon Warrants at a price of Rs.10/- (Rupees Ten only) each (hereinafter referred to as "Warrants") aggregating to Rs. 1,80,00,000 (Rupees One Crore Eighty Lacs only) based on relevant date i.e. 26.08.2009 on preferential basis without offering the same to any other persons who at the date of the offer are holders of equity shares, each Warrant entitling the holder thereof to apply and be allotted one fully paid-up equity share of Rs 10/- (Rupees Ten only) each, at any time not exceeding eighteen months from the date of allotment of the Warrants as per the terms and conditions given in the Explanatory Statement annexed to this notice, which, inter alia, includes the following:

- a. Issue of up to 18,00,000 Warrants with an entitlement to convert into/exchange with the equal number of Equity Shares of the Company during the period of eighteen months from the date of allotment of Warrants.
- b. Entitlement to the extent not exercised shall be lapsed and up-front amount paid on such warrants shall be forfeited.
- c. The relevant date for the purpose of determination of issue price of the resultant equity shares on conversion of warrants is 26th August 2009.
- d. The issue price of the resultant equity shares on conversion of warrants shall fixed as per SEBI Guidelines.

RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorised to reduce, change or modify the number of warrants to finalize and modify the terms and conditions, quantum, pricing, timing and all other matters relating to the issue and allotment of the aforesaid preferential issue of warrants and the resultant equity shares, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities and Exchange Board of India, Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this Resolution.

RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorised to delegate all or any of the previously mentioned powers/authorities to committee of Directors and/or officers or to any one or more directors and officers of the company."

6. To consider and, if thought fit, to pass the following resolution, with or without modification, as **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956,

read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the company be and is hereby accorded to the re-appointment of Mr. Ved Prakash Narula as Managing Director of the company for a period of five years with effect from 28th day of October 2009 on a Monthly Salary of Rs. 20,000/- per month.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass the following resolution, with or without modification, as **Ordinary Resolution:**

"RESOLVED THAT Mr. B. S. Goyal, be and is hereby appointed as a Director of the company, liable to retire by rotation."

**By the order of the Board of Directors
For ACE INDIA LIMITED**

**Place: New Delhi
Date: 26th August 2009**

sd/-

**V.P. Narula
(Managing Director)**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxy, in order to be effective, must be received by the company at the registered office of the company not less than forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Book will remain closed from 21st September 2009 to 28th September 2009 (both days inclusive).
3. Members holding shares in more than one folio in identical order of name are requested to write to R & TA enclosing their shares certificates for consolidation of their holdings in one folio to facilitate better services.
4. Members seeking any information with regards to accounts or operations are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.
6. Notice of Resolution at item no.4 is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, that the Company proposes to obtain consent of its Members by way of a Postal Ballot.
7. The relative Explanatory Statement pursuant to Sections 173(2) and 192A(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
8. The Board of Directors at its meeting held on 26th August 2009 has appointed M/s Rajesh Arjun & Co., Chartered Accountant, 13/81-81A, LGF, Vikram Vihar New Delhi-24

as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of the Members.

9. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before 25th September 2009 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on 28th September 2009, at the Registered Office of the Company at 2/100, Scheme 10 B, R.H.B. Colony, Alwar (Rajasthan) at 2.00 p.m.
10. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m., up to 25th September 2009.

**By the order of the Board of Directors
For ACE INDIA LIMITED**

**Place: New Delhi
Date: 26th August, 2009**

sd/-

**V.P. Narula
(Managing Director)**

**Explanatory Statement under Sections 173(2) and 192A(2)
of the Companies Act, 1956.**

Item No.4 – Shifting of the Registered office of the company

The Registered Office of the Company is presently situated in the State of Rajasthan. As a measure of rationalisation, it is proposed to shift the Registered Office from the State of Rajasthan to the State of Delhi.

Section 17 of the Companies Act, 1956 provides that for the shifting the Registered Office of the Company from one State to another, approval of the members by way of Special Resolution and confirmation by the Company Law Board is required. Further, pursuant to Section 192A of the Companies Act, 1956, such Special Resolution is required to be passed by means of a postal ballot.

The Board of Directors accordingly recommend the resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO. 5 – Issue of Warrants

Your Company proposes to make a preferential issue of warrants with an option/entitlement of conversion into/exchange with the equity shares of the Company within a period of about 18 months from the date of allotment of warrants. Since your company is a listed company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guideline, 2000 and the

Securities and Exchange Board of India (Substantial Acquisition and Takeover) Regulation, 1997. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI Guidelines and Regulations, the relevant disclosures/details are given below:

Objects and purpose of the Preferential Issue: The Company needs funds to complete its pending projects and to start new projects to face growing competition in the market. The company also requires funds to repay the old outstanding liabilities. It is proposed that long-term funds be raised through preferential issue of Warrants by way of private placement to the persons other than promoters.

The warrants shall have a validity period of 18 months and it will be converted into one fully paid up share of Rs. 10/- each. The Company will receive 25% payment at the time of allotment of warrants and balance amount at the time of conversions which will be utilized in the Company's business.

Intention of the promoters, directors, their associates and relatives and key management personnel to subscribe to the offer: The offer is not meant for promoters, directors and their relatives.

Out of the total issue, the warrants are proposed to be allotted in the following manner:

Up to 18,00,000 (Eighteen Lacs) Zero Coupon Warrants optionally convertible into equity shares to Bodies Corporate, individuals etc. other than the promoters/directors of the company.

Instrument: The Company is proposing to issue not exceeding 18,00,000 (Eighteen Lacs) warrants. The Holder(s) of these warrants shall be entitled to convert the warrants into/exchange with the Equity shares of the company in the ratio of 1:1, one equity share for every one warrant held.

The tenure/currency of warrants: The Holder(s) of these warrants shall be entitled to convert the warrants into/exchange with the Equity Shares of the company within a period of 18 months from the date of allotment of the warrants.

The Warrant holder(s) shall make the written request to the company to exercise the entitlement and sent the same along with complete balance payment payable on the resultant shares at least 15 days before the exercise of the entitlement.

Entitlement to the extent not exercised shall be lapsed and up-front amount paid on such warrants shall be forfeited.

Lock-in-period: The warrants issued on preferential basis shall be subject to lock-in-period as per SEBI Guidelines.

The present allotment doesn't attract SEBI (Substantial Acquisition & Takeover) Regulation, 1997.

Relevant Date and issue Price: The relevant date for the purpose of determination of issue price of equity shares is 26th August 2009.

Issue Price of the resultant equity shares on conversion of warrants will be the price calculated as the pricing formula prescribed in the SEBI Guidelines i.e. issue price shall not be less than the higher of the following:

a) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or

b) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date.

Payment: In terms of the provisions of the SEBI Guidelines,

25% of the issue price of the resultant equity shares shall be payable at the time of allotment of warrants. The up-front amount paid will be adjusted against the final payment required to be made for acquiring the shares in exchange with the warrants. The up-front amount paid shall be forfeited if and to the extent, option(s) to acquire shares is not exercised.

Particulars of Allottee: Present preferential issue of equity shares is proposed to be made to:

1. M/s Prime Edible Private Limited.
2. M/s Aarohi Infocom Private Limited.
3. M/s Tara Consultants Private Limited
4. Sh. Jagdish Kapoor
5. Sh. D.R. Malhotra
6. Sh. Kamal Malik
7. Sh. Balvinder Singh
8. Sh. Sanjeev Bhasin
9. Sh. Gaurav Dhawan

Pre-issue & Post-issue holding of the proposed Allottees: As on the date of this notice, the proposed Allottees do not hold any shares in the issuer Company. Similarly, they did not sell any shares of the company during the six months period prior to the relevant date. Post issue of equity shares of the proposed Allottees will be as below:

Particulars	Post-issue	
	No. of shares held	% of share holding
After the conversion/exchange of 18,00,000 (Eighteen Lacs) warrants		
1. M/s Prime Edible Private Limited.	3,00,000	6.047
2. M/s Aarohi Infocom Private Limited.	3,00,000	6.047
3. M/s Tara Consultants Private Limited	3,50,000	7.055
4. Sh. Jagdish Kapoor	1,50,000	3.023
5. Sh. D.R. Malhotra	1,00,000	2.015
6. Sh. Kamal Malik	1,00,000	2.015
7. Sh. Balvinder Singh	1,00,000	2.015
8. Sh. Sanjeev Bhasin	2,00,000	4.031
9. Sh. Gaurav Dhawan	2,00,000	4.031

Pre-issue & Post-issue Shareholding pattern of the Issuer Company: Pre-issue & Post-issue Shareholding pattern of the Issuer Company is as follows (Pre-issue shareholding pattern as on 30.06.2009):

Category

	Pre-issue		Post-issue	
	No. of shares held	% of shares	No. of held shares	% of held shares
A. Promoter's holding				
1. Promoters				
• Indian Promoters	1267441	40.0974	1267441	25.55
• Foreign Promoters	NIL	NIL	NIL	NIL
2. Persons acting in concert	NIL	NIL	NIL	NIL
SUB-TOTAL	1267441	40.10	1267441	25.55
B. Non-Promoter's holding				
3. Institutional Investors				
i. Mutual Funds & UTI	NIL	NIL	NIL	NIL
ii. Banks, Financial, Institutional, Insurance Companies	NIL	NIL	NIL	NIL
iii. FIIs	NIL	NIL	NIL	NIL
SUB-TOTAL	NIL	NIL	NIL	NIL

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9. Others

a. Private Corporate Bodies	331824	10.49	1281824	25.84
b. India's Public	1560560	49.37	2410560	48.59
c. NRIs/OCBs	800	0.03	800	0.016
d. Any Other (please specify)	275	0.01	275	0.0055
De-mat Transit				

SUB-TOTAL	1893459	59.90	3693459	74.45
GRAND TOTAL	3160900	100	4960900	100

Proposed time of Allotment: The allotment of warrants in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, Stock Exchange(s) or other concerned authorities.

The Statutory Auditors of the Company has certified that the present preferential issue of equity shares on the above terms and conditions, is in accordance with the requirement contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guideline, 2000, the Securities and Exchange Board of India (Substantial Acquisition and Take-over) Regulation, 1997, as amended up to date. The auditor's Certificate shall be laid before the AGM.

In terms of the provisions of the Companies Act, 1956, the consent of members by way of Special Resolution is required. Your director recommends the resolution.

None of the directors is interested in the resolution

ITEM NO. 6 – Re-appointment of Managing Director

Mr. V.P. Narula who was appointed as Managing director of the company w.e.f. 28.10.2004 for a period of five years and whose period of Managing Director is due to expire on 27.10.2009. As such, Mr. V.P. Narula has been re-appointed as Managing Director in the Board meeting held on 26th August 2009. Thus, the approval of shareholders for his re-appointment is required in the forth coming Annual General Meeting. Your director recommends the resolution.

None of the directors is interested in the resolution except Mrs. Mamta Narula being his spouse and the appointee himself.

ITEM NO. 7 –Appointment of Director

The Board of Directors at its meeting held on 30.07.2009 had appointed Mr. B. S. Goyal as an Additional Director of the company and he holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act, 1956. Mr. B. S. Goyal, is a financial and legal professional and his appointment will be beneficial for the Company. The Company had received a notice under section 257 of the Act from a member proposing the appointment of Mr. B. S. Goyal as a director of the company.

None of the directors except the appointee himself, is interested in the resolution.

The Board recommends the resolution for adoption by the members.

By the order of the Board of Directors
For ACE INDIA LIMITED

Place: New Delhi
Date: 26th August, 2009

sd/-

V.P. Narula
(Managing Director)

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 15th Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2009.

Financial Results

	31.03.2008	31.03.2009
	Amount	Amount
	(Rs. in Lacs)	(Rs in Lacs)
Gross Income	132.73	56.88
Profit/Loss (Before Tax)	1.17	1.12

DIVIDEND

Due to requirement of funds for the current working of the Company, your Directors express their inability to recommend any dividend on equity share capital for the year under report.

OPERATIONAL REVIEW

During the financial year under report, total revenues of the company decreased to Rs. 56.88 lacs from Rs. 132.73 lacs in the Previous year. Your company earned a profit of Rs. 1.12 lacs as against profit of Rs. 1.17 lacs in the last year. The decrease in turnover and profit is due to existence of pirated CDs in the market. Despite the reduced earnings, your management is optimistic of better performance in the coming years.

Your Company believes in high quality of content to the consumer for maximizing the future growth and opportunities. Your Company is trying to develop value based programming instead of quantitative based. During the year under review the company released few new projects

FUTURE OUTLOOK

The entertainment industry is one of the fastest growing industries. Your Company is aspiring to position itself in the field of composite Entertainment.

Your directors expect steady growth in sales and profits in the years ahead. From this year, the company has entered into Uttranchal (Garwali & Kumau) Market. Hindi is the second most widely spoken language in the world, at the same time Bhojpuri, Bengali & Punjabi languages also have huge market in music industry, and so your company is developing quality contents in Hindi and the aforesaid regional languages.

BUSINESS STRATEGY

Your Directors strategy has been to restructure the company thoroughly to impart to it the ability to meet the adverse conditions and to work continuously on cost reduction.

To meet its entire client's need, the Company has to get customer centric and be innovative in production. As a full service provider, the Company believes that it can increase its revenues from existing clients as well as attract new clients and markets.

Entertainment events are turning out to be a big market and Company plans to be a major player in this segment as well. Company plans to be a multilingual, multipurpose, multi-medium content provider at the lowest cost structure with major emphasis on quality. Due to growing needs of quality music, after coming of different channels, the company started production of music videos and cassettes.

The impressive financial results of the last few years clearly demonstrate that your company's strategy has worked and is possible to continue in future also.

CORPORATE GOVERNANCE

The company has been proactive in following the principles and practices of good corporate governance. The Company has taken adequate steps to ensure that the conditions of corporate Governance as stipulated in clause 49 of the listing agreement of stock Exchange are complied with.

Auditors' certificate on corporate governance on its compliance is produced as a part of Annual Report.

FIXED DEPOSIT

There are no fixed deposits accepted by the Company.

DIRECTORS

Mr. V.P. Narula who has been appointed as Managing director of the company w.e.f. 28.10.2004 for a period of five years and whose period of Managing Director is due to expire on 27.10.2009. The Board considered the re-appointment of Mr. V. P. Narula as Managing Director in their meeting held on 26th August 2009 for a further period of 5 Years. His re-appointment will be placed before the shareholders for approval in the forth coming Annual General Meeting.

Mr. Virender Kumar, Director of the company, will retire by rotation at the forth-coming Annual General Meeting of the Company and being eligible, he has offered himself for re-appointment.

Mr. B. S. Goyal was appointed as additional director in the Board Meeting held on 30.07.2009 and he is proposed for appointment as a director under section 257 of the Companies Act, 1956.

During the year, Mr. N. K. Wahi, Independent Director of the company has resigned. Your Board placed on record its gratitude for the services rendered by the outgoing Director during the tenure of his Directorship of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

- 1) In the preparation of the Annual Accounts for the financial year ended 31st March, 2009, the applicable accounting Standards have been followed along with proper explanations relating to material departures.
- 2) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the Financial year ended 31st March, 2009 and the profits of the Company for the said period.
- 3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- 4) The Directors have prepared the Annual Accounts on a going concern basis

AUDITORS

M/s. Rajesh Arjun & Co. Chartered Accountants, New Delhi, the Statutory Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITOR'S REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to the provisions of Section 383A of the Companies Act, 1956 read with rule 3A of the Companies (Appointment and Qualifications of Secretary) Rules, 1988, the company has opted to obtain a Secretarial Compliance Certificate from a practicing company secretary as the paid up capital of the company is below Rs. 5 Crores. As such, Secretarial Compliance Certificate issued for the financial year 2008-2009 is attached to this report for the consideration of members.

PERSONNEL

The Management-employee relations remained very cordial and friendly throughout the year.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The disclosure to be made pursuant to the provision of Sub Section (1) (e) of Section 217 of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors. Rules, 1988) are set out in the annexure attached to this report.

PARTICULARS OF EMPLOYEES

No Particulars of employee are given as required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975, as amended as no employee has drawn the salary as prescribed in the said Section.

INTERNAL CONTROL SYSTEM

The Company maintains a system of internal control, including suitable monitoring procedures. The internal audit department regularly conducts a review to assess the financial and operating controls at various locations of the Company. Any significant issue is required to be brought to the attention of the Audit Committee of the Board. The Statutory Auditor and the head of internal Audit are invited to attend the Audit Committee Meeting.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation and gratitude to the Company's Bankers, Government Authorities, for their valuable co-operation and assistance. Your Directors also wish to place on record their appreciation for the whole-hearted and continued support extended by the employees, shareholders and investors during the year.

**For and on Behalf of the Board of Directors
For ACE INDIA LIMITED**

Place: New Delhi

Date: 26th August 2009 sd/-

V. P. Narula
(Managing Director)

sd/-

Mamta Narula
(Whole-time Director)

AMIT VERMA & ASSOCIATES

Practicing Company Secretaries



Registration No. of the company: 17-14485

Nominal Capital: Rs. 10,00,00,000/-

SECRETARIAL COMPLIANCE CERTIFICATE*[Pursuant to the Proviso to Section 383A (1) of the Companies Act, 1956]*

To,
The Members,
M/S ACE INDIA LIMITED,
2/100 Scheme 10B KET,
Near Partap Palton,
R.H.B. Colony,
Alwar-301001 Raj.

I have examined the registers, records, books and papers of **M/S ACE INDIA LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March 2009 (the financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met **SIX** times respectively on **11th April 2008, 30th April 2008, 30th July 2008, 23rd August 2008, 30th October 2008 and 30th January 2009** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members or Debenture holders during the financial year.
6. The 14th Annual General Meeting for the financial year ended on 31st March 2008 was held on 26th September 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Extra-ordinary General Meeting was held on 9th May 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose during the financial year.

8. The company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - (i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) The company has not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - (iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) The company was not required to transfer the amounts to the Investor Education and Protection Fund.
 - (v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been duly made. However, one director of the company has resigned from the company.
15. The company has not appointed any Managing Director/ Whole-time director/Manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares or debentures during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March 2009.