



COMPLETE
ENTERTAINMENT

ACE INDIA
LIMITED

11th
Annual Report
2004 - 2005

Board of Directors

VED PRAKASH NARULA

(Managing Director)

VIRENDER KUMAR KATHURIA

(Director)

MAMTA NARULA

(Director)

RAJESH KUMAR NARULA

(Director)

SACHIN VERMA

(Company Secretary)

Auditors

A. KATHPALIA & CO.

Chartered Accountants

Bankers

CANARA BANK

HDFC BANK

CORPORATION BANK

CENTURIAN 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 11th Annual General Meeting of the Members of the Company will be held on Saturday, the 24th day of September 2005, at 11.00 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, 2005 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 Mrs. Mamta Narula, 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 the 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 A. KATHPALIA & 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 with or without modifications, the following resolution as an ORDINARY Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the company be and is hereby accorded to the appointment and payment of remuneration to Shri Ved Prakash Narula as Managing Director of the company for a period of 5 years with effect from 28.10.2004 on the terms and conditions as mentioned in the agreement to be entered into between the company and Shri Ved Prakash Narula, a draft whereof duly initialed by the Chairman for the purpose of identification has been placed before the meeting, which agreement is hereby specifically approved with powers to the Board of Directors (which term shall be deemed to include any "committee" thereof) to alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner as may be agreed upon by the Board of Directors of Shri Ved Prakash Narula within the limits prescribed under Schedule XIII to the said Act or any statutory amendment(s) and/or modification(s) thereto.

RESOLVED FURTHER that notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Ved Prakash Narula as managing director of the company, the remuneration payable to him shall be in accordance with the limits prescribed in section II Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the agreement aforesaid when the profits of the company are adequate.

RESOLVED FURTHER that the Board be and is hereby authorized at its discretion from time to time to fix the remuneration and/or perquisite of Shri Ved Prakash Narula and revise such remuneration and/ or perquisite from time to time within the maximum limits specified in the aforesaid draft agreement. The Board be and is hereby further authorized to vary/modify/amend any of the aforesaid terms and conditions, provided such variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

5. 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 applicable provisions of SEBI (Delisting of Securities) Guidelines, 2003, and subject to the provisions of Companies Act, 1956 and Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, the Listing agreements with the respective Stock Exchanges and other applicable Rules, Regulations and Guidelines and further subject to the requisite approvals, permissions and consents as may be prescribed or imposed while granting such approvals, permissions or consents as may be agreed to by the Board of Directors of the company be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of the equity shares of the company from the Madras Stock Exchange at such time or times as the Board may decide.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as it may in its absolute discretion consider necessary, appropriate and incidental thereto to give effect to this resolution including setting of any question with regard thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director and/or any Officer or Officers of the Company to give effect to this resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution, 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 and subject to the approval of financial institutions (FIs), banks and other concerned authorities, 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 agree 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 20,00,000 (Twenty lacs) Zero Coupon Warrants at a price of Rs.10 each (Rupee Ten each) (hereinafter referred to as "Warrants") aggregating to Rs. 2,00,00,000 (Rupees Two Crores) based on relevant date i.e. 24.08.2005 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/- 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 20,00,000 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 24th August 2005.
- 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."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an

ORDINARY Resolution.

"RESOLVED THAT Shri Narinder Kumar Wahi, who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as it may in its absolute discretion consider necessary, appropriate and incidental thereto to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the company be and is hereby accorded to the appointment and payment of remuneration to Mrs. Mamta Narula as Whole time director of the company for a period of 5 years with effect from 24.08.2005 on the terms and conditions as mentioned in the agreement to be entered into between the company and Mrs. Mamta Narula, a draft whereof duly initialed by the Chairman for the purpose of identification has been placed before the meeting, which agreement is hereby specifically approved with powers to the Board of Directors (which term shall be deemed to include any "committee" thereof) to alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner as may be agreed upon by the Board of Directors of Mrs. Mamta Narula within the limits prescribed under Schedule XIII to the said Act or any statutory amendment(s) and/or modification(s) thereto.

RESOLVED FURTHER that notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Mrs. Mamta Narula as whole time director of the company , the remuneration payable to her shall be in accordance with the limits prescribed in section II Part II of Schedule XIII of the Companies Act, 1956 as amended from to time subject to the compliance of provisions thereof but in any event shall not exceed the

remuneration payable as provided in the agreement aforesaid when the profits of the company are adequate.

RESOLVED FURTHER that the Board be and is hereby authorized at its discretion from time to time to fix the remuneration and/or perquisite of Mrs. Mamta Narula and revise such remuneration and/ or perquisite from time to time within the maximum limits specified in the aforesaid draft agreement. The Board be and is hereby further authorized to vary/modify/amend any of the aforesaid terms and conditions, provided such variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

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

**Place: - New Delhi
Date: - 24.08.2005**

**sd/-
Sachin Verma
(Company Secretary)**

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 ITS 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 20th September, 2005 to 24th September, 2005 (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. The Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, setting out material facts in respect of the business under item no. 4 to 8 is annexed hereto and forms part of the Notice.
7. The Members are requested to notify the change in their addresses, if any, to the Registrar and Transfer Agent, M/s Beetal Financial & Computer Services Private Limited, 99, Madan Gir,

Behind Local Shopping Centre, Near Dada Harsukh Nath Mandir, New Delhi-110 062. Ph.: 29961281-82, Fax: 29961284

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

**Place: - New Delhi
Date: - 24.08.2005**

**sd/-
Sachin Verma
(Company Secretary)**

**EXPLANATORY STATEMENT PURSUANT TO SECTION
173(2) OF THE COMPANIES ACT, 1956**

ITEM NO. 4

Pursuant to the Article of Association of the Company, the Board of Directors have passed a resolution appointing Ved Prakash Narula as Managing Director of the company w.e.f. 28.10.2004.

Pursuant to Sec.269, 198, 309 read with Schedule XIII of the Companies Act, appointment of Managing Director has to be approved by the Members of the company in the Annual General meeting. The terms and conditions of his appointment including remuneration payable to him are available for inspection by any of the shareholders at the Registered Office of the company.

Your Directors recommend this resolution for approval of the members of the Company. None of the Directors except Mr. Ved Prakash Narula, Mrs. Mamta Narula and Mr. Rajesh Kumar Narula is interested or concerned in the resolution.

ITEM NO. 5

At present, the equity shares of the company are listed on The Stock Exchange, Mumbai (BSE) and The Madras Stock Exchange Association Limited (MSE). MSE being the Regional Stock Exchange.

An analysis of the trading volumes of equity shares of the Company at Madras Stock Exchange over the last three calendar years reveals that trading in the Company's shares at this stock Exchange has been nil.

The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, Provide an option to the company to seek voluntary Delisting of its shares from the Stock Exchange, provided the shares of the company continue to be listed in a stock exchange having Nation wide trading terminals, and in such an event, even an exit opportunity is not required to be given to be given to the investors.

In view of the above, it is proposed to seek voluntary delisting of the company's shares from Madras Stock Exchange. However, the company's shares continue to be listed at BSE.

Your Directors recommend the Special Resolution at item no. 5 of the accompanying Notice.

None of the Directors is interested or concerned in the said resolution.

ITEM NO. 6

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: Your Company is growing with a good pace. There is an increase in requirement of funds with the increased level of operations. The company has proposed to make a preferential issue by private placement to the persons other than promoters to meet the additional requirement of the funds and to augment the capital base of the Company for leveraging.

Since the funds would be required in phases, it is proposed to issue warrants with conversion in the period of 18 months. The Company will receive 10% 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 20,00,000 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 20,00,000 (Twenty 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 24th August 2005.

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:

- 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
- 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, 10 % 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 warrants is proposed to be made to:

- M/s Surbhi Mercantile Private Limited.
- M/s Anuj Holding Private Limited.
- M/s ABI Overseas Limited
- M/s Tara Consultants Pvt. Ltd.

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 20,00,000 (Twenty Lacs) warrants		
1. M/s Surbhi Mercantile Private Limited	5,00,000	9.69
2. M/s Anuj Holding Private Limited	5,00,000	9.69
3. M/s ABI Overseas Limited	5,00,000	9.69
4. M/s Tara Consultants Pvt. Ltd.	5,00,000	9.69

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 30.06.2005):

Category	Pre-issue		Post-issue	
	No. of shares held	% of shares held	No. of shares held	% of shares held
A. Promoter's holding				
1. Promoters				
• Indian Promoters	1227000	38.816	1227000	23.7749
• Foreign Promoters	NIL	NIL	NIL	NIL
2. Persons acting in concert	NIL	NIL	NIL	NIL
SUB-TOTAL	1227000	38.816	1227000	23.7749
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
9. Others				
a. Private Corporate Bodies	107240	3.393	2107240	40.8309
b. Indian Public	1825410	57.751	1825410	35.3940
c. NRIs/OCBs	NIL	NIL	NIL	NIL
d. Any Other (please specify)	1250	0.040	1250	0.0002
De-mat Transit				
SUB-TOTAL	1933900	61.184	3933900	76.2251
GRAND TOTAL	3160900	100	5160900	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 Takeover) 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

The Board recommends the resolution for adoption by the members.

ITEM NO. 7

Shri Narinder Kumar Wahi was appointed as an additional director by the Board at its meeting held on 08.06.2005. According to the provisions of section 260 of the Companies Act, 1956, he holds

that office upto the date of this meeting. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director, along with a deposit of rupees five hundred.

In view of the background and valuable experience of Shri Narinder Kumar Wahi, it will be in the interest of the company that Shri Narinder Kumar Wahi continues as director of the company.

None of the directors except Shri Narinder Kumar Wahi himself is interested in the resolution.

ITEM NO. 8

Pursuant to the Article of Association of the Company, the Board of Directors have passed a resolution appointing Mrs. Mamta Narula as whole time director of the company w.e.f. 24.08.2005.

Pursuant to Sec.269, 198, 309 read with Schedule XIII of the Companies Act, appointment of whole time director has to be approved by the Members of the company in the Annual General meeting. The terms and conditions of his appointment including remuneration payable to her are available for inspection by any of the shareholders at the Registered Office of the company.

Your Directors recommend this resolution for approval of the members of the Company.

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Ace India Limited

None of the Directors of the Company except Mrs. Mamta Narula, Mr. Ved Prakash Narula and Mr. Rajesh Kumar Narula herself is interested or concerned in the resolution.

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

Place: - New Delhi
Date: - 24.08.2005

sd/-
Sachin Verma
(Company Secretary)

DIRECTORS' REPORT**To the Members,**

Your Directors take pleasure in presenting the 11th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2005.

Financial Results

	31.03.2005	31.03.2004
	Amount	Amount
	(Rs. in Lacs)	(Rs in Lacs)
Gross Income	302.41	277.86
Profit/Loss	9.34	7.67

DIVIDEND

In view of the inadequate profit, your Directors have been unable to recommend dividend.

OPERATIONAL REVIEW

During the financial year under report, total revenues increased to Rs. 302.41 lacs from Rs.277.86 lacs in the last year. Your company earned a profit of Rs. 9.34 lacs as against profit of Rs. 7.67 lacs in the last year. The Company's current year performance is very encouraging, this only be possible because of several cost cutting measures.

Your Company believed in high quality of content to the consumer for maximizing the future growth and opportunities. Your Company is trying to develop value based programming not quantitative based. During the year under review the company had released Five Albums viz. "Teri Galiyon Mein" (MC & ACD), "Aaa Bhi Jaa" (MC & ACD), "Lagan Guru Charanan Ki" (MC & ACD), "Badli Teri Nazar" (MC & ACD) & "Sayian Sawarka re" (Bhojpuri MC & VCD) and few new projects for making of feature films are under pipe lines. Further your company plans to release about two music albums in each month. For the purpose of giving special discount to the share holders, we are providing discount coupons with every annual report of the company through which the coupon holder can get a discount of 25 % on MRP on the purchase of any music album of the company.

With reference to the Special Resolution passed in the last i.e. 10th Annual General Meeting, your company has been delisted from the Delhi Stock Exchange (DSE) w.e.f. 31-03-2005 for which DSE has given the certificate.

FUTURE OUTLOOK

The Indian entertainment industry is one of the country's fastest growing spaces, your company is confident to establish itself in the industry. Your Company is aspiring to position itself as a Global competitor in the field of composite Entertainment.

Your directors expect steady growth in sales and profits in the years ahead. Hindi is the second most widely spoken language in the world, at the same time Bhojpuri, Bengali & Punjabi has also a huge market, so your company is developing quality contents in Hindi and the aforesaid regional languages.

BUSINESS STRATEGY

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

To meet its entire client's need, the Company 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 as 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 a lowest cost structure with major emphasis on quality. Due to growing needs of quality musics 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 yours company's strategy has worked and possible to continue.

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

During the year Mr. B. S. Goyal resign from the post of directorship. Your directors place on record their appreciation for the valuable services rendered during their tenure as director 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, 2005, 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