

**14th Annual Report
2008-2009**

UNIVERSAL ARTS LIMITED

Board of Directors:

Mr. Manish Shah (Managing Director)

Mrs. Ulka Shah

Mr. Kunal Singh

Mr. Satish Shidhaye

Mr. Sandeep Poddar

Auditors:

M/s Sanjay Raja Jain & Co.

Chartered Accountants

G/2, Hanumant Bhavan,

306, JSS Road, Thakurdwar,

Mumbai 400 002.

Registered Office:

Plot No. 45,

Ganpati Bhavan, 1st Floor,

M. G. Road, Goregaon (West),

Mumbai 400 062.

Tele: 2874 8995/9001

Fax 2876 7645

Email: universalartslimited@hotmail.com

Registrars & Transfer Agents:

Bigshare Services Private Limited

E/2, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (East),

Mumbai 400 072 .

Tele 2847 3474, 2847 0652/53

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CONTENTS

Notice	2
Directors' Report	3
Management Discussion and Analysis Report	5
Corporate Governance Report	7
Shareholders' Information	9
Auditors' Report	10
Balance Sheet	12
Profit & Loss Account	13
Cash Flow Statement	14
Schedules to Accounts	15
Statement Pursuant to Section 212	21
Annual Report of Subsidiary	22
(Bama Infotech Pvt. Ltd)	
Consolidated Financial Statements	29

Notice to the Members

NOTICE is hereby given that the Fourteenth Annual General Meeting of Universal Arts Limited will be held on Wednesday, 23rd day of December, 2009 at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062 at 12.00 noon. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2009 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manish Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Sanjay Raja Jain & Co., Chartered Accountants, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors in consultation with the Auditors.

By Order of the Board

Manish Shah
Managing Director

Place: Mumbai.

Dated: 12th November, 2009

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 17th December, 2009 to Wednesday, 23rd December 2009 (both days inclusive).
3. Members seeking any information with regard to accounts of the Company are requested to send their queries so as to reach the registered office at least 10 days before the meeting to enable the management to keep the information ready.
4. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report to the Meeting.

Directors Report

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended on 30th June, 2009.

Financial Results

(Amount in Rs.)

	For year ended on 30th June, 2009	For year ended on 30th June, 2008
Gross Income	29,79,500	73,43,977
Expenditure	48,11,845	94,36,187
Profit before Taxation & Depreciation	(18,32,345)	(20,92,210)
Depreciation	1,93,804	1,93,634
Profit / (Loss) before tax	(20,26,149)	(22,85,844)
Provision for Taxation & Fringe Benefit Tax	44,809	57,506
Excess Provision for Income Tax-Written back	0	0
Profit / (Loss) after tax	(20,70,958)	(23,43,350)
Profit / (Loss) brought forward from last year	(1,50,61,006)	(1,27,17,256)
Profit / (Loss) carried forward to Balance Sheet	(1,71,31,964)	(1,50,61,006)

Again due to existence of Big Corporate in the market, your company was not able to move upward, Gross Income during the year under review was Rs. 29.79 lacs as against Rs. 73.44 lacs during the previous year and there was Loss of Rs. 20.26 lacs during the current year as against Rs. 22.86 lacs during the previous year.

(A detailed analysis of financial results has been made in "Management Discussion & Analysis Report" which is annexed hereto.)

Management Discussion and Analysis

In accordance with the Listing Agreement entered into with stock exchanges, the Management Discussion and Analysis Report is annexed hereto and forms part of this report.

Fixed Deposits

The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 during the period under review.

Re-issue of forfeited shares

As members are aware, the Board of Directors had forfeited 8,32,000 equity shares of the Company on 9th July, 2001 for non-payment of allotment money. Out of these 8,32,000 shares, the Board had revoked the forfeiture of 1,100 shares during the year 2001-2003.

The Board has reissued 8,00,000 forfeited shares on 24th January 2005 to various bodies corporate at a price of Rs.10/- per share.

De-listing of shares from Ahmedabad Stock Exchange

In terms of the resolution passed by Members in 9th Annual General Meeting, the Equity Shares of the Company have been delisted from Ahmedabad Stock Exchange w.e.f. 11th October, 2005 and the de-listing process in respect of Hyderabad Stock Exchange Limited is in progress.

Directors

Mr. Manish Shah will retire by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. Your Directors recommend his re-appointment as Director.

Directors Responsibility Statement

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of these annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

UNIVERSAL ARTS LIMITED

- (ii) The accounting policies have been consistently applied and reasonable and prudent judgments and estimates have been made, so as to give a true and fair view of the state of affairs of the Company for the year ended on 30th June 2009 and of the loss of the Company for that year;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) These annual accounts have been prepared on a going concern basis.

Auditors

M/s. Sanjay Raja Jain & Co., Chartered Accountants, the auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as the Auditors of the Company. A certificate from the Auditors has been received to the effect that their appointment, if made, would be within limits prescribed under Section 224(1B) of the Companies Act, 1956.

Auditors Report

The Auditors Report to the Shareholders does not contain any adverse qualifications.

Internal Control System

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of company's assets. The Company is now in the process of setting up Internal Audit System.

Corporate Governance

A report of the Corporate Governance is annexed hereto and forms part of this Report. A certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance is attached to this Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The Company is not strictly engaged in the manufacturing activity; as such particulars relating to conservation of energy and technology absorption are not applicable. However, in the editing facilities, offices etc., adequate measures are being taken to conserve energy as far as possible.

As far as foreign exchange earning and outgo is concerned, the Company has neither earned nor used any foreign exchange during the period under review.

Particulars of Employees

There is no employee covered pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence, no particulars are given.

Subsidiary Companies

A statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's subsidiaries is attached to the balance sheet.

Consolidated Financial Statements

Your Directors have pleasure in attaching the Consolidated Financial Statements prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

Acknowledgments

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Bankers, shareholders, Registrar & Transfer Agents, the artists and technicians associated with the Company's programmes, media and channels, whose continued support has been a source of strength to the Company. Your Directors also place on record their appreciation for the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

(Manish Shah)

Chairman cum Managing Director

Place: Mumbai

Date: 12th November, 2009

Management Discussion and Analysis Report

Industry Structure and Development

The Indian Entertainment industry (consisting of television, cinema, music, radio and live entertainment) continued to grow during the year 2008 too. The total size of the industry at present is about Rs.400 billion and is expected to grow to Rs.595 billion by 2010. The size of Indian television market was Rs.220 billion in 2008.

The television software segment, which provides content to broadcaster, accounted for about 14 percent of the entertainment industry and about 26 per cent of the Indian television industry. The same is expected to grow at the rate of about 14% per year.

Cable and satellite (C&S) penetration reached about 70 million households while average number channels increased to about 170. C&S, which was initially an urban phenomenon, began to penetrate rural areas. This is because the rural market for colour television is progressing rapidly. Of 250 lakhs households that brought television sets in India during last three years, 190 lakhs (77%) are in rural areas.

The Government of India amended Cable Network (Regulation) Act, 1995 in January 2003 whereby it was mandatory to view pay channels only via set top box. However, the failures of the CAS scheme and the repeated delays in the rollout of DTH have affected the sentiments of the industry in general.

The Indian film industry was worth an estimated Rs. 90 billion in 2008 and is expected to reach at about Rs. 143 billion by 2010. The industry is going through a radical change with advent of multiplexes.

Opportunities and Threats

Opportunities

The revenue for Hindi movies has increased ten folds in last five years.

Many new rights like Broadband, Internet Protocol Television, Ring tones etc has started generating revenues.

It is hoped that DTH and CAS becomes operational during next few years. These systems will end the monopoly of cable operators and shift the power to consumers.

Emergence of international audiences and NRI's as a strong and lucrative market for feature films.

Television enjoys the highest reach across the people all over India. It has direct, day-to-day and continuous mass appeal when compared with newspapers, radio or cinema. There still exists a vast potential for reaching cable television.

The access of cable and satellite channels into television households is currently 21 percent compared to 43 per cent of all Indian households having television sets- a considerable room for growth within India's existing market.

The international markets represent a large untapped market for the Indian soap. India is in a position to capture the attention of a large Indian population across UK, UAE, South Africa and US.

Threats

However, we perceive certain threats as follows:

The economic / industrial recession which had affected most of the industries in the country still continues. The entertainment industry is the most affected one, since entertainment is the last priority for people in recession. Also with the world facing recession global sources of funds are drying up.

The possibility of a shake up in the Cable and Satellite Channels will result in stiff competition between the existing content providers. A delay in introduction of CAS and DTH had negative effects on the industry. The freeze on rates imposed through a TRAI notification may affect growth of broadcasters and cable operator's revenue. This may reduce the profitability and hence the growth rates in TV industry.

The media industry may feel a positive or negative impact in future due to the changes in the regulatory framework and tax laws as compared with the current scenario.

UNIVERSAL ARTS LIMITED

With the entry of Big Corporate like UTV, Eros, TV18, Ashtavinayak, Sony Pictures, Reliance, Aditya Birla Group, the competition would increase and thereby increasing the cost of negative rights, satellite rights, video rights, etc.

With the entry of Corporate sector, the small producers will cease to exist and thereby the company may find it difficult to get good quality of negative for future business.

To save cost, most of the Channels still look for syndication of movies and re-run of movies from their library which may effect the market for new acquisition of films.

Segment-wise or Product-wise performance

Purchasing rights of films

The Company sells the satellite rights to channels such as Star, Zee, Sony, Sahara, ETV etc. and video rights to video companies such as Time, Bombino etc. The Company offers movies to Doordarshan for one time single telecast. The overseas rights are sold country wise to various buyers.

Future Outlook

With the entry of Big Corporate like UTV, Eros, TV18, Ashtavinayak, Sony Pictures, Reliance, Aditya Birla Group, the competition has increased and thereby increasing the cost of negative rights, satellite rights, video rights, etc. This would result in requirement of huge amount of capital to survive in this business, With a small capital and negative reserves the going for the company appears to be tough.

Internal Control System and their adequacy

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of company's assets.

Discussion on financial performance with respect to operational performance

At the Last Annual General Meeting of the Company, the Board of Directors expected a bad year. Due to entry of big corporates like Astavinayak, Eros, TV 18, UTV, Reliance, Adlabs, Sony Pictures, the business in which your Company is into has become more capital intense. It has become difficult to operate in the said industry with small corpus.

Due to recession the gross income has reduced from Rs. 73.44 lakhs in the previous year to Rs. 29.79 lakhs in the current year, but the company has reported a loss of Rs. 20.26 lakhs in the current year as against Rs. 22.86 lacs during the previous year. The company do not expect to better its performance in terms of gross income in the current year. Your company expects the current year to be as bad as compared to the previous year.

It has always been the policy of the Company to control and reduce the expenditure to the extent possible.

The Company is exploring various options/means to come out of the intense and competitive arena where it finds itself.

Material Development in Human/ Industrial Relations Front

The Company believes that the manpower is the primary and most valuable resource to the growth of the organisation. Therefore, the Company is in the process of recruiting competent key managerial personnel in the field of editing, recording, production, post-production etc. The media industry is highly dependent on individual creative talent and the Company will make all the efforts to attract and retain the best and creative talent in the industry.

Report on Corporate Governance

This report on Corporate Governance forms part of the Directors Report. This section besides being in compliance of the mandatory listing agreement requirement gives an insight into the process of functioning of the Company.

Company's Philosophy on Code of Corporate Governance

- To adopt internal and external measures to increase the level of transparency and accountability.
- To demonstrate to stakeholders that the Company is following right governance practices.
- To lead the Company towards high growth path of higher profits and revenue.
- To respect the laws of the land and rights of stakeholders and to get respect from all concerned.
- To uphold at all times fundamental values of accountability, probity and transparency in all areas of its operations and business practices.

Board of Directors

The Board of Company consists of eminent persons with considerable professional experience and expertise in the field of media, law, finance, accounts etc.

The strength of the Board of Directors of the Company as on 30th June 2009 is 5.

The Composition of Board of Directors is as follows:

Name of Directors	Designation	Category	Status
Mr. Manish Shah	Managing Director	Executive	Independent
Mrs. Ulka Shah	Director	Non-executive	Independent
Mr. Kunal Singh	Director	Non-executive	Independent
Mr. Satish Shidhaye	Director	Non-Executive	Independent
Mr. Sandeep Poddar	Director	Non-executive	Independent

During the year, Five Board meetings were held and the requisite quorum was present at all Board meetings. There is no gap of four months between any two meetings. None of the Directors is a member in more than 10 committees or acts as a Chairman in more than five committees across all companies in which he is a Director.

Audit Committee

The composition, powers and functions of the Audit Committee were as stipulated under clause 49 of the Listing Agreement and under section 292A of the Companies Act, 1956.

Name of Directors	Designation	Category	Status
Mr. Satish Shidhaye	Chairperson of the Committee	Non-Executive	Independent
Mrs. Ulka Shah	Member of the Committee	Non-Executive	Independent
Mr. Sandeep Poddar	Member of the Committee	Non-executive	Independent

The Statutory Auditors are the permanent invitees to the Audit Committee Meeting. The Committee met five times during the year.

Remuneration Policy and Details of Remuneration paid

No remuneration was paid to Executive Directors and Non-executive Directors.

Shareholders / Investors Grievance Committee

The main functions of Shareholders/ Investors Grievance Committee is taking care of shareholders' grievances and strengthening investors' relations.

The Composition of the Committee as follows:

Name of Director	Designation	Category	Status
Mrs. Ulka Shah	Chairperson of the Committee	Non-executive	Independent
Mr. Kunal Singh	Member of the Committee	Non-executive	Independent
Mr. Manish Shah	Member of the Committee	Executive	Independent

During the year, the Committee held 4 meetings. All investor complaints received during the year have been resolved.

Share Transfer Committee

The Share Transfer Committee consists of Mr. Manish Shah, the Managing Director and Mr. Kunal Singh as its members. The Committee met 2 times during the year to approve the transfer of shares and other matters relating to transfer and registration of shares.

Disclosure

There have been no transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large and which

UNIVERSAL ARTS LIMITED

have not been disclosed to the Board.

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and Hyderabad Stock Exchange Limited. The Company is complying with the regulations relating to capital markets and that no penalty or strictures have been imposed on the Company by the stock exchanges or SEBI or any statutory authority in respect thereof.

Means of Communication

Un-audited quarterly results of the Company for the quarter ending 30th September 2008, 31st December 2008, 31st March 2009 and 30th June 2009 were published in newspapers as stipulated under the listing agreement.

CEO / CFO Certification

A Certificate from the Managing Director on the financial statement of the Company was placed before the Board as required by clause 49(v) of the Listing Agreement.

General Body Meeting

The location and time where last three Annual General Meeting were held are as under :

Date & Time	Venue	Special Resolution
a) 19th December, 2008 12.00 noon	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No
b) 29th December, 2007 12.00 noon	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No
c) 22nd December, 2006 12.00 noon	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	Yes

General Shareholders information

The required information is provided in "Shareholders information" Section.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Universal Arts Limited

We have examined the compliance of conditions of corporate governance by Universal Arts Limited for the year ended on 30th June, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sanjay Raja Jain & Co.
Chartered Accountants

Sanjay Raja Jain
Partner

Place : Mumbai
Date : 12th November, 2009.

CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT POLICY

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board have affirmed the compliance of the Code of conduct for the year ended 30th June, 2009.

For UNIVERSAL ARTS LIMITED

Place : Mumbai
Date : 12th November 2009.

Manish Shah
MANAGING DIRECTOR

Shareholders Information

Date, time and venue of 14th AGM	Wednesday, 23rd December 2009 at 12.00 noon at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062.
Date of Book Closure	17th December 2009 to 23rd December 2009 (both days inclusive)
Listing on Stock Exchanges	The Bombay Stock Exchange Limited The Hyderabad Stock Exchange Limited.
Listing Fees,	Paid as per the Listing Agreements
Demat Arrangement	With NSDL and CDSL
ISIN No.	INE 464801018
BSE Stock Code	532378
Registered Office	Plot No. 45, Ganpati Bhavan, 1st Floor, M. G. Road, Goregaon (West), Mumbai 400 062 Tel.No: 2874 8995, 2874 9001 Fax No. 2876 7645 Email: universalartslimited@hotmail.com
Registrar & Share Transfer Agents	M/s Bigshare Services Private Limited E/2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Tele No. 2847 3474, 2847-0652/0653 Fax No. 2852 5207 Email: bigshare@bom7.vsnl.net.in
Compliance Officer	Mr. Manish Shah Managing Director Plot No. 45, Ganpati Bhavan, 1st Floor, M. G. Road, Goregaon (West), Mumbai 400 062 Tel No. 2874 8995, 2874 9001 Fax No. 2876 7645

Categories of Shareholders as on 30th June, 2009:

Category	% of Shareholding	Nos. of shares held
Promoters	3.01	3,00,100
Private Bodies Corporate	13.27	13,22,700
Indian Public	80.27	80,03,108
Non Resident Indians	3.27	3,25,964
Demat Transit	0.18	18,118
Total	100.00	99,69,900

Total no. of shares forfeited but not re-issued (not included in above statement) = 30,900

Distribution of Shareholding as on 30th June, 2009:

No. of Equity Share	Shareholders		No. of Shares		
	Number	% of holders	Number	% of shares	
1	500	2,622	54.37	7,55,487	7.58
501	1000	1,005	20.84	9,23,126	9.26
1001	2000	501	10.39	8,38,384	8.41
2001	3000	205	4.25	5,45,694	5.47
3001	4000	95	1.97	3,54,697	3.56
4001	5000	127	2.63	6,15,825	6.17
5001	10000	140	2.90	10,49,309	10.53
10001	and above	128	2.65	48,87,378	49.02
Total		4,823		99,69,900	

Total no. of shares forfeited but not re-issued (not included in above statement) = 30,900

AUDITOR'S REPORT

To,
The Members,
UNIVERSAL ARTS LTD

We have audited the attached Balance Sheet of **UNIVERSAL ARTS LTD**, Mumbai as at 30th June, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in Annexure hereto a Statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standard referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except for Accounting of taxes as per AS-22.
 - (e) In our opinion, and to the best of our information and explanations given to us none of the directors are disqualified as on 30th June, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India :
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 30th June, 2009.
 - (ii) In so far as it relates to the Profit and Loss Account, of the Loss of Company for the year ended on that date.
 - (iii) In so far as it relates to Cash Flow Statement, of the Cash Flow for the year ended on that date.

For SANJAY RAJA JAIN & CO
CHARTERED ACCOUNTANTS
SANJAY RAJA JAIN
(PARTNER)

Place : Mumbai.
Date : 12th November, 2009

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 2 of our report of even date)

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year.
2.
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. The company has taken loans from parties listed in the register maintained U/s. 301 of the Companies Act, 1956. The year-end balance of loan taken from such parties was Rs. 1.25 lakhs.
The Company has granted loans to Companies, Firms or other parties as listed in the register maintained under section 301 and / or to the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The year-end balance of loan given to such parties was Rs. 132.15 lakhs.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lacs only) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
6. As explain to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The company is not required to maintain cost record U/s. 209(1)(d) of the Companies Act, 1956.
9. a) According to the information and explanation given to us, and records being made available to us, the undisputed statutory dues including Income-tax, Sales Tax, Wealth Tax, and other statutory dues wherever applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 30th June, 2009 for a period of more than six months from the date of becoming payable.
b) In our opinion and according to the information and explanations given to us, there are no disputed statutory dues pending before any Authority.
10. The Company has accumulated losses of Rs.171.32 Lakhs as on 30.06.2009 and has incurred cash losses of Rs. 18.32 lakhs during the Financial Year covered by our audit.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanation given to us, a company has not received any terms loan during the year.
17. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Short Term sources and utilized the same towards Long Term investments and vice-versa.
18. During the year, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
19. According to information and explanation given to us, the Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For SANJAY RAJA JAIN & CO,
CHARTERED ACCOUNTANTS

SANJAY RAJA JAIN
(PARTNER)

Place : Mumbai.
Date : 12th November, 2009

UNIVERSAL ARTS LIMITED**Balance sheet as on 30 th June, 2009**

	Schedule	As on 30-06-2009 (Rs.)	As on 30-06-2008 (Rs.)
<u>SOURCES OF FUND :</u>			
Shareholder's Fund			
Share Capital	A	99,872,030	99,872,030
Capital Reserve		4,325,720	4,325,720
Loan Funds			
Unsecured Loan	B	125,000	475,000
Total		104,322,750	104,672,750
<u>APPLICATION OF FUND :</u>			
Fixed Assets			
Gross Block	C	5,459,419	5,459,419
Less : Depreciation		3,537,299	3,343,495
Net Block		1,922,120	2,115,924
Capital Work-in-progress		13,470,000	13,470,000
Investments	D	45,743,000	45,743,000
Current Assets, Loans & advances	E	30,617,116	32,981,744
Less : Current Liabilities & Provisions	F	4,561,450	4,698,924
NET CURRENT ASSETS		26,055,666	28,282,820
Profit & Loss a/c.		17,131,964	15,061,006
Total		104,322,750	104,672,750

NOTES FORMING PART OF ACCOUNTS

Notes : Schedule A to F and notes on accounts thereon forming part of this Balance Sheet.

As per our report of even date

For Sanjay Raja Jain & Co.
Chartered Accountants

For & on behalf of the Board of Directors

Sanjay Raja Jain
PartnerPlace : Mumbai
Date : 12th November, 2009

Director

Director

Place : Mumbai
Date : 12th November, 2009

Profit and loss account for the year ended 30 th June, 2009

	Schedule	As on 30-06-2009 (Rs.)	As on 30-06-2008 (Rs.)
INCOME :			
Sales		2,979,500	7,130,000
Compensation recd		-	100,000
Other Income	G	-	113,977
Closing Stock		12,505,860	13,310,360
TOTAL		15,485,360	20,654,337
EXPENDITURE :			
Opening Stock		13,310,360	17,198,740
Purchase		702,350	2,024,200
Direct Expenses		-	241,000
Administrative Expenses	H	3,304,995	3,282,608
Depreciation		193,804	193,634
TOTAL		17,511,509	22,940,182
Profit/(Loss) Before Tax		(2,026,149)	(2,285,844)
Less :- Fringe Benefit Tax		44,809	57,906
Profit/(Loss) After Tax		(2,070,958)	(2,343,750)
Profit/(Loss) brought forwards from last year		(15,061,006)	(12,717,256)
Profit/(Loss) carried to Balance Sheet		(17,131,964)	(15,061,006)

NOTES FORMING PART OF ACCOUNTS

Note : Schedule G & H and notes on accounts thereon forming part of this Profit & Loss Account.

As per our report of even date

For Sanjay Raja Jain & Co.
Chartered Accountants

For & on behalf of the Board of Directors

Sanjay Raja Jain
Partner

Director

Director

Place : Mumbai
Date : 12th November,2009

Place : Mumbai
Date : 12th November,2009

UNIVERSAL ARTS Limited

Cash flow statement for the year ended 30th June 2009

(Rs. In '000)

Particulars	As at 30.06.2009	As at 30.06.2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	(2,071)	(2,344)
Adjustment for		
Depreciation	194	194
Preliminary and issue expenses written off	-	-
Operating profit before working capital charges	<u>(1,877)</u>	<u>(2,150)</u>
Adjustment for		
(Increase)/Decrease in current Assets		
Trade and other receivable	1,356	(920)
Inventories	805	3,888
Increase/(Decrease) in current liabilities		
Trade payables	<u>(137)</u>	<u>(901)</u>
Net cash used in operating activities (A)	<u>146</u>	<u>(84)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	-	(10)
Sale/(Purchase) of Investment	-	-
Net cash used in investing activities (B)	<u>-</u>	<u>(10)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans	(350)	350
Net cash used in financing activities (C)	<u>(350)</u>	<u>350</u>
NET INFLOW (OUTFLOW) [A+B+C]	<u>(204)</u>	<u>258</u>
D NET INCREASES IN CASH & CASH EQUIVALENTS		
Cash & Cash equivalents opening balance	351	94
Cash & Cash equivalents closing balance	<u>147</u>	<u>351</u>
	<u>(204)</u>	<u>258</u>

As per our report of even date
For Sanjay Raja Jain & Co.
Chartered Accountants

Sanjay Raja Jain
Partner

Place : Mumbai
Date : 12th November,2009

For & on behalf of the Board of Directors

Director Director

Place : Mumbai
Date : 12th November,2009

AUDITOR'S REPORT

We have examined the above cash flow statement of Universal Arts Ltd. derived from the Audited financial statements for the year ended on 30th June, 2009 and found the same to be drawn in accordance therewith.

For Sanjay Raja Jain & Co.
Chartered Accountants

Sanjay Raja Jain
Partner

Place : Mumbai
Date : 12th November,2009

SCHEDULES FORMING PART OF ACCOUNTS

	30-06-2009 (Rs.)	30-06-2008 (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
Authorised Capital		
1,10,00,000 Equity Shares of Rs. 10/- each	110,000,000	110,000,000
Issued and Subscribed Capital		
1,00,00,800 Equity Shares of Rs.10/- each	100,008,000	100,008,000
Paid-up Capital		
99,69,900 Equity shares of Rs. 10/- each fully paid up	99,699,000	99,699,000
Add : forfeited shares (Amounts originally paid on 30900 shares)	173,030	173,030
	99,872,030	99,872,030
SCHEDULE - B		
Unsecured Loan		
From company	125,000	475,000
	125,000	475,000

SCHEDULE - C FIXED ASSETS

		GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01/07/2008	Additions During the Year	Deductions During the Year	As on 30/06/2009	As on 01/07/2008	Provided for the Year	Deductions During the Year	As on 30/06/2009	As on 30/06/2009	As on 01/07/2008
Building	1.63%	750,000	-	-	750,000	76,406	12,225	-	88,631	661,369	673,594
Plant & Machinery	7.07%	2,057,400	-	-	2,057,400	1,043,719	145,458	-	1,189,177	868,223	1,013,681
Computers	16.21%	574,717	-	-	574,717	574,717	-	-	574,717	-	-
Office Equipment	4.75%	126,000	-	-	126,000	38,914	5,985	-	44,899	81,101	87,086
Portal & Content Right		1,475,230	-	-	1,475,230	1,475,230	-	-	1,475,230	-	-
Furnitures	6.33%	476,072	-	-	476,072	134,509	30,135	-	164,644	311,428	341,563
TOTAL		5,459,419	-	-	5,459,419	3,343,495	193,804	-	3,537,299	1,922,121	2,115,924
Previous year		5,449,919	9,500	-	5,459,419	3,149,861	193,634	-	3,343,495	2,115,924	-

UNIVERSAL ARTS LIMITED

		30-06-2009 (Rs.)	30-06-2008 (Rs.)
SCHEDULE - D			
INVESTMENTS (Non-trade, Long term at cost)			
	Qty.		
In Equity shares of Subsidiary Companies (Unquoted)			
Bama Infotech Pvt. Ltd. of Rs. 10/- each	10000	100,000	100,000
In Debentures of Subsidiary Companies (Unquoted)			
Bama Infotech Pvt. Ltd. of Rs. 1000/- each	11193	11,193,000	11,193,000
In Equity Shares of Companies (Unquoted)			
Goldmines Telefilms Pvt. Ltd	23500	34,450,000	34,450,000
		<u>45,743,000</u>	<u>45,743,000</u>
SCHEDULE - E			
CURRENT ASSETS, LOANS & ADVANCES			
<u>Cash & Bank balance</u>			
Cash in hand		77,811	290,242
Balances with Scheduled Banks in Current accounts		69,178	61,087
<u>Sundry Debtors (Unsecured considered good)</u>			
More than six months		670,510	425,010
Other		1,251,500	889,803
<u>Inventories</u>			
Stock and Work-in-progress		12,505,860	13,310,360
<u>Advance recoverable in cash or in kind or for value to be recd.</u>	24,928,524		26,891,508
<u>Less:- Provision for doubtful debt</u>	8,886,266	16,042,258	(8,886,266)
		<u>30,617,116</u>	<u>32,981,744</u>
SCHEDULE - F			
CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors for expenses		3,513,811	3,692,588
Outstanding expenses		268,540	272,046
Provision for fringe benefit tax		221,804	176,995
Provision for taxation		557,295	557,295
		<u>4,561,450</u>	<u>4,698,924</u>

	30-06-2009 (Rs.)	30-06-2008 (Rs.)
SCHEDULE - G		
OTHER INCOME		
Profit on Sale Of Division	-	89,300
Other Income	-	24,000
Sundry Balance w/off	-	677
	-	<u>113,977</u>
SCHEDULE - H		
SALARY, ADMINISTRATIVE & OTHER EXPENSES :		
<u>Employees Remuneration & Benefits</u>		
- Salary, Bonus & other benefits	811,170	759,021
- Staff Welfare	109,584	86,876
Advertising Expenses	52,673	39,336
Audit Fees	28,000	28,000
AGM Expenses	32,974	27,733
Annual Charges	34,367	31,327
Bank Charges	12,069	12,648
Brokerage	22,500	50,000
Books and Periodicals	43,951	48,579
Business Promotion expenses	225,649	233,143
Conveyance Expenses	256,999	275,784
Electricity charges	252,700	297,820
Interest	520	-
Legal & Professional expenses	141,500	153,000
Listing fees	13,511	29,000
Membership & Subscription	1,113	-
Miscellaneous expenses	162,057	82,723
Motor Car Expenses	47,651	105,416
Office expenses	143,965	150,604
Postage & Telegram	146,736	126,615
Printing & Stationery	151,879	132,199
Processing Fees	-	25,000
Profession Tax	3,125	2,500
Rent, Rates & Taxes	48,438	61,288
Registrar fees	56,025	52,806
Repairs & Maintenance	113,481	123,043
Sundry Balances w/off	275	-
Telephone, Telex & Courier	171,547	158,778
Travelling Expenses	218,538	189,368
	<u>3,304,995</u>	<u>3,282,608</u>

SCHEDULE - I

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 30th JUNE, 2009

A) SIGNIFICANT ACCOUNTING POLICIES:

1. The Accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and the applicable accounting standards issued by Institute of Chartered Accountants of India.
2. Fixed Assets:
 - a) Fixed assets are stated at cost less accumulated depreciation.
 - b) Portal and Content right has been capitalized and has been amortized over the estimated economic life of the content.
3. Depreciation:
 - a) Depreciation on Fixed Assets is provided on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
 - b) Portal and Content right is amortized over period of three years.
4. Investments have been valued at cost.
5. Inventories includes Raw Stock (Tapes and Cassettes, etc.), TV Programmes/Episodes of TV Serials under production which have been valued at cost or estimated net realizable value, whichever is lower. The inventory of films have been valued at cost.
6. The Current assets, loans and advances are stated at the value, which will be realised in the ordinary course of the Company's business, except otherwise stated.
7. Revenue/Income is accounted as and when the relevant episode of the program is or film is delivered to the Channel. Cost/expenditure are generally accounted for on accrual basis as they are incurred.
8. Miscellaneous Expenditure:
 - a) Preliminary Expenses are amortised over a period of ten accounting years.
 - b) Public issue expenses are amortised over a period of five accounting years.
9. Previous year figures are regrouped and rearranged wherever necessary.

B) NOTES ON ACCOUNTS

1. There were no dues to Small Scale Industrial Units.
2. There were no earnings in foreign currency or expenditure in foreign currency in respect of acquisition of Fixed Assets, stores or raw materials.
3. During the period, there has been no employee entitled for a remuneration of Rs. 2,00,000/- or more per month or Rs. 24,00,000/- per annum.
4. Investments have been valued at cost and provision has not been made in the books for the depreciation in value of investments.
5. Provision and/or payment in respect of Auditor's remuneration for the current period and previous year is as follows :-

	2008-2009	2007-2008
Audit Fees	28,000	28,000

6. Related Party Disclosures

(a) Name of related parties and description of relationship.

Name of Related Party	Relationship	Nature of Transaction	Amount in Rs.
Goldmines Telefilms Pvt. Ltd.	Enterprise over which key management personnel are able to exercise significant influence	Purchase	Rs. 15,000/-
Goldmines Telefilms Pvt. Ltd.	Enterprise over which key management personnel are able to exercise significant influence	Sales	Rs. 3,92,000/-
Luminous Trading Pvt. Ltd.	Enterprise over which key management personnel are able to exercise significant influence	Purchase	Rs. 5,000/-
Luminous Trading Pvt. Ltd.	Enterprise over which key management personnel are able to exercise significant influence	Sales	Rs. 2,47,500/-

7. No provision for gratuity has been made since no employee has put in qualifying period of service.

8. Other information required under Schedule VI Part - II are either NIL or not applicable to the Company.

SIGNATURES TO SCHEDULE A TO I

AS PER OUR REPORT OF EVEN DATE

For **SANJAY RAJA JAIN & CO.**
CHARTERED ACCOUNTANTS

SANJAY RAJA JAIN
Partner

Place : Mumbai
Date : 12th November, 2009

FOR & ON BEHALF OF BOARD

Director Director

Place : Mumbai
Date : 12th November, 2009

Balance Sheet Abstract and Company's General Business Profile**I. Registration Details**

Registration No.	91082	State Code	11
Balance Sheet Date	30-Jun-09		

II. Capital Raised during the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	104,322,750	Total Assets	104,322,750
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Sources of Funds

Paid up Capital	99,872,030	Share Application Money	NIL
Reserves & Surplus	4,325,720	Unsecured Loan	125,000

Application of Funds

Net Fixed Assets	15,392,120	Investments	45,743,000
Net Current Assets	26,055,666	Misc. Expenditure	NIL
Accumulated Losses	17,131,964		

IV. Performance of Company

Total Income	15,485,360	Total Expenditure	17,511,509
Profit/(Loss) before tax	(2,026,149)	Profit/(Loss) after tax	(2,070,958)
Earning per Share	NIL	Dividend	NIL

V. General Names of three principal Products/Service of the Company (As per Monetary terms)

Item Code no.

Product Description MEDIA ENTERTAINMENT

As per our report of even date

For Sanjay Raja Jain & Co.
*Chartered Accountants***Sanjay Raja Jain**
*Partner*Place : Mumbai
Date : 12th November, 2009

For & on behalf of the Board of Directors

Manish Shah
*Director***Ulka Shah**
*Director*Place : Mumbai
Date : 12th November, 2009

STATEMENT, PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of Subsidiary	Bama Infotech Pvt. Ltd.	
	31st March 2009	31st March 2008
1 Financial year of the Subsidiary		
2 Shares of Subsidiary held by Universal Arts Ltd. on the date		
a) No. of equity shares and face value	10000 shares of Rs. 10/- each	10000 shares of Rs. 10/- each
b) Extent of Holding	100%	100%
3 Net aggregate amount of Profit/(loss) of the Subsidiary so far as they concern the member of Universal Arts Ltd.		
a) Dealt with in the account of Universal Arts Ltd. for the year ended 31st March 2009	Nil	Nil
b) Not dealt with in the account of Universal Arts Ltd. for the year ended 31st March 2009	(240,077)	(75,618)
4 Net aggregate amount of Profit / (Loss) for previous financial years of the Subsidiary since it became Subsidiary so far as they concern member of Universal Arts Ltd.		
a) Dealt with in the account of Universal Arts Ltd. for the year ended 31st March 2009	N.A.	N.A.
b) Not dealt with in the account of Universal Arts Ltd. for the year ended 31st March 2009	N.A.	N.A.

For & on behalf of the Board of Directors

Director

Director

Place : Mumbai

Date : 12th November, 2009

BAMA INFOTECH PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members of
BAMA INFOTECH PRIVATE LIMITED

Yours Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS :

	31.03.09	31.03.08
Total Income	—	2,60,000
Total Expenditure	2,33,579	3,30,447
PROFIT / (LOSS) BEFORE TAX	(2,33,579)	(70,447)
Less : Fringe Benefit & Income Tax	6,498	5,171
PROFIT / (LOSS) AFTER TAX	(2,40,077)	(75,618)
Profit / (Loss) brought forward from earlier years	(75,00,562)	(74,24,944)
PROFIT / (LOSS) CARRIED TO BALANCE SHEET	(77,40,639)	(75,00,562)

DIVIDEND :

In view of the Loss during the year, your Directors do not recommend any dividend for the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that :

1. In preparation of Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures, if any.
2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year ended 31st March, 2009 and of the Loss of the Company for that year.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
4. The Directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS :

The Company has not accepted the deposits from the public.

AUDITORS:

The present Statutory Auditors M/s Sanjay Raja Jain & Co., Chartered Accountants of the Company retires at ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT :

The Observation made in the Auditors' Report are self explanatory and therefore do not call for any further comments on the Auditors Report under section 217 of the Companies Act, 1956.

STATUTORY INFORMATION ABOUT EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The Company had no employees covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Since the Company is not having any manufacturing activities, Directors have nothing to report on conservation of Energy, Research & Development and Technology Absorption.

During the year, Foreign Exchange earning was Nil and outgo was Nil.

ACKNOWLEDGEMENT:

Yours Directors would like to thank its Bankers and shareholders of the Company for the unstined support from them during the year.

Yours Directors would like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 4th September, 2009

DIRECTOR

DIRECTOR

AUDITOR'S REPORT

To,
Members of
BAMA INFOTECH PRIVATE LTD.

1. We have audited the attached Balance Sheet of BAMA INFOTECH PRIVATE LIMITED as at 31st March, 2009 and the Profit & Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956 are not applicable to the company.
4. Further, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts of the Company.
 - d) In our opinion the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except for accounting for deferred taxation as per Accounting Standard-22.
 - e) On the basis of the written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009, from being appointed as director in terms of section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanation given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
 - ii) In the case of Profit & Loss Account, of the loss incurred for the year ended as on that date.

For **SANJAY RAJA JAIN & CO.**
CHARTERED ACCOUNTANTS

SURJEET JAIN
Partner

Place : Mumbai
Date : 4th September, 2009.

BAMA INFOTECH PRIVATE LIMITED

Balance Sheet as on 31st March, 2009

	Schedule	As on 31-03-2009 (Rs.)	As on 31-03-2008 (Rs.)
SOURCES OF FUND :			
Shareholder's Fund			
Share Capital	A	100,000	100,000
Borrowed Fund			
Unsecured Loans	B	11,193,000	11,193,000
Total		11,293,000	11,293,000
APPLICATIONS OF FUND :			
Investments	C	1,783,521	1,783,521
Current Assets, Loans & Advances	D	2,161,929	2,402,353
Less : Current Liabilities	E	393,089	393,436
Net Current Assets		1,768,840	2,008,917
Profit & Loss Account		7,740,639	7,500,562
Total		11,293,000	11,293,000

NOTES FORMING PART OF ACCOUNTS

G

Note : Schedule A to E and notes on accounts thereon forming part of this Balance Sheet

As per our report of even date
For **SANJAY RAJA JAIN & CO.**
Chartered Accountants

For & on behalf of the Board of Directors

SURJEET JAIN
Partner

Director,

Director

Place : Mumbai
Date : 4th September 2009

Place : Mumbai
Date : 4th September 2009

Profit and Loss account for the year ended 31st March, 2009

	Schedule	Year ended 31-03-2009 (Rs.)	Year ended 31-03-2008 (Rs.)
INCOME :			
Sales		-	260,000
Total		-	260,000
EXPENDITURE :			
(Increase)/Decrease in Stock		-	-
Purchases		-	10,000
Salary, Administrative & other expenses	F	233,579	320,447
Total		233,579	330,447
Profit /(Loss) before tax		(233,579)	(70,447)
Less : Fringe Benefit Tax		4,198	5,171
Less : Income Tax		2,300	-
Profit /(Loss) after tax		(240,077)	(75,618)
Profit/(Loss) brought forward from last year		(7,500,562)	(7,424,944)
Profit/ (Loss) carried to Balance Sheet		(7,740,639)	(7,500,562)

NOTES FORMING PART OF ACCOUNTS

G

Note : Schedule F and notes on accounts thereon forming part of this Profit & Loss A/c

As per our report of even date
For **SANJAY RAJA JAIN & CO.**
Chartered Accountants

For & on behalf of the Board of Directors

SURJEET JAIN
Partner

Director

Director

Place : Mumbai
Date : 4th September 2009

Place : Mumbai
Date : 4th September 2009

SCHEDULES FORMING PART OF ACCOUNTS

			31-03-2009	31-03-2008
SCHEDULE - A				
SHARE CAPITAL				
Authorised Capital				
10,000 Equity Shares of Rs. 10/- each			100,000	100,000
Issued, Subscribed and Paid-up Capital				
10,000 Equity Shares of Rs. 10/- each fully paid-up			100,000	100,000
SCHEDULE - B				
UNSECURED LOANS				
11193 (11193) Zero percent fully Convertible Debentures of Rs. 1000/- each			11,193,000	11,193,000
From Others			-	-
			11,193,000	11,193,000
SCHEDULE - C				
INVESTMENTS : (at Cost)				
Long Term Investments :	QTY			
Cadila Healthcare Ltd	330	(330)	82,500	82,500
Contech Software	1200	(1,200)	7,200	7,200
Cyberwave Internet Solutions Ltd.	825	(825)	8,250	8,250
GDR Media	10	(10)	323	323
Infobahn Technologies Ltd	9000	(9,000)	225,000	225,000
Intertech Software Solutions Ltd.	7200	(7,200)	720,000	720,000
Kirlosker Multimedia	100	(100)	190	190
Krisn Informations Technologies Ltd	7189	(7,189)	71,890	71,890
Online Media System	100	(100)	305	305
S. Kumar Online Ltd.	1000	(1,000)	66,400	66,400
Sibar Media Entertainment Ltd.	9900	(9,900)	99,000	99,000
Sibar Software Ltd	200	(200)	400	400
Top Telemedia Ltd. (FV Rs. 10/-)	10	(10)	85	85
Top Media Ltd	100	(100)	140	140
Vision Technology Ltd	50	(50)	338	338
Weal Infotech Ltd.	10150	(10,450)	101,500	101,500
Equity Shares Unquoted and fully paid-up				
Shilpam Inorganics Ltd	8000	(8,000)	400,000	400,000
(Market Value as on 31.03.2009 - Rs.5,55,242/- Previous Year Rs: 8,70,257/-) (Figures in bracket indicates previous year quantity)				
			1,783,521	1,783,521

BAMA INFOTECH PRIVATE LIMITED

	31-03-2009	31-03-2008
SCHEDULE -D		
CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank balance		
Cash in Hand	57,838	54,052
Balances with Schedule Bank Current Account	169,194	15,615
Sundry Debtors (Unsecured, considered Good)		
More than Six Months	689,641	662,758
Less than Six Months	-	-
Stock in Hand	35,000	35,000
Loans & Advances	1,210,256	1,634,928
	<u>2,161,929</u>	<u>2,402,353</u>
	<u><u>2,161,929</u></u>	<u><u>2,402,353</u></u>
SCHEDULE -E		
CURRENT LIABILITIES		
Sundry Creditors for expenses	358,735	358,301
Provision for Income Tax	16,958	16,958
Provision for FBT	17,396	18,177
	<u>393,089</u>	<u>393,436</u>
	<u><u>393,089</u></u>	<u><u>393,436</u></u>
SCHEDULE - F		
SALARY, ADMINISTRATIVE & OTHER EXPENSES :		
Audit Fees	2,800	2,800
Bank Charges	3,106	2,770
Books & Periodicals	16,329	29,135
Conveyance & Travelling	29,489	46,346
Demat Charges	-	562
Fees, Rates & Taxes	4,900	2,820
Professional Fees	10,000	17,500
Postage & Telegram	17,427	15,299
Printing & Stationery	20,836	35,197
Salary, Bonus & Exgratia	77,300	113,000
Staff Welfare	15,954	17,636
Sundry Expenses	17,195	17,187
Telephone, Telex & Fax Expenses	18,243	20,195
	<u>233,579</u>	<u>320,447</u>
	<u><u>233,579</u></u>	<u><u>320,447</u></u>

SCHEDULE - G

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009.

A. SIGNIFICANT ACCOUNTING POLICIES:

- a. The Accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and the applicable accounting standards issued by Institute of Chartered Accountants of India.
- b. Investments have been valued at cost and are physically verified by the management.
- c. The Current assets, loans and advances are stated at the value, which will be raised in the ordinary course of the Company's business.
- d. Revenue/Income and cost/expenditure are generally accounted for on accrual basis as they are earned or incurred.
- e. Previous year figures are regrouped and rearranged wherever necessary.

B. NOTES ON ACCOUNTS

- a. Due to loss incurred during the year there will not be any assessable income for the period and hence provision for the taxation is not provided for.
- b. There were no dues to Small Scale Industrial Units.
- c. There were no earnings in foreign currency or expenditure in foreign currency in respect of acquisition of Fixed Assets, stores or raw materials.
- d. During the year, there has been no employee entitled for a remuneration of Rs. 2,00,000/- or more per month or Rs. 24,00,000/- per annum.
- e. Investments have been valued at cost and provision has not been made in the books for the depreciation in value of investments.
- f. Provision and/or payment in respect of Auditor's remuneration for the current period and previous year is as follows :-

	2008-2009	2007-2008
Audit Fees	2,800	2,800

- g. No provision for gratuity has been made since no employee has put in qualifying period of service.
- h. Other information required under Schedule VI Part - II are either NIL or not applicable to the Company.

SIGNATURES TO SCHEDULE A TO G.

AS PER OUR REPORT OF EVEN DATE

For SANJAY RAJA JAIN & CO.
CHARTERED ACCOUNTANTS

SURJEET JAIN
Partner

Place : Mumbai
 Date : 4th September, 2009.

FOR & ON BEHALF OF BOARD

Director *Director*

Place : Mumbai
 Date : 4th September, 2009.

BAMA INFOTECH PRIVATE LIMITED

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	123495	State Code	11
Balance Sheet Date	31-Mar-09		

II. Capital Raised during the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	11,293,000	Total Assets	11,293,000
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Sources of Funds

Paid up Capital	100,000	Reserves & Surplus	NIL
Secured Loan	NIL	Unsecured Loan	11,193,000

Application of Funds

Net Fixed Assets	NIL	Investments	1,783,521
Net Current Assets	1,768,840	Misc. Expenditure	NIL
Accumulated Losses	7,740,639		

IV. Performance of Company

Total Income		Total Expenditure	233,579
Profit/(Loss) before tax	(233,579)	Profit/(Loss) after tax	(240,077)
Earning per Share			

V. General Names of three principal Products/Service of the Company (As per Monetary terms)

Item Code no.

Product Description

As per our report of even date

For Sanjay Raja Jain & Co.
Chartered Accountants

Surjeet Jain
Partner

Place : Mumbai
Date : 4th September, 2009

For & on behalf of the Board of Directors.

Director Director

Place : Mumbai
Date : 4th September, 2009

AUDITORS' REPORT

To,
Members of
UNIVERSAL ARTS LIMITED,

1. We have audited the attached Consolidated Balance Sheet of UNIVERSAL ARTS LIMITED and its subsidiary as at 30th June, 2009 and the Profit & Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further, we report that:
 - a) in our opinion the Consolidated Profit & Loss Account and Balance Sheet comply with the Accounting Standards (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India.
 - b) In our opinion and to the best of our information and according to the explanation given to us, the accounts read with the notes thereon, give:
 - i) In the case of Consolidated Balance Sheet, of the state of affairs of Universal Arts Ltd. and its subsidiary as at 30th June, 2009 and
 - ii) In the case of Consolidated Profit & Loss Account, of the consolidated results of Universal Arts Ltd. and its subsidiaries for the year ended as on that date.

For SANJAY RAJA JAIN & CO.
CHARTERED ACCOUNTANTS

SANJAY RAJA JAIN
Partner

Place : Mumbai
Date : 12th November, 2009.

UNIVERSAL ARTS limited**Consolidated Balance Sheet as on 30 th June, 2009**

	Schedule	As on 30-06-2009 (Rs.)	As on 30-06-2008 (Rs.)
SOURCES OF FUND :			
Shareholder's Fund			
Share Capital	A	99,872,030	99,872,030
Capital Reserve		4,325,720	4,325,720
Loan Funds			
Unsecured Loan	B	-	275,000
Total		104,197,750	104,472,750
APPLICATION OF FUND :			
Fixed Assets			
Gross Block	C	5,459,419	5,459,419
Less : Depreciation		3,537,299	3,343,495
Net Block		1,922,120	2,115,924
Capital Work-in-progress		13,470,000	13,470,000
Investments	D	36,233,521	36,233,521
Current Assets, Loans & advances	E	32,608,668	35,108,681
Less : Current Liabilities & Provisions	F	4,954,699	5,094,408
NET CURRENT ASSETS		27,653,969	30,014,273
Profit & Loss a/c.		24,918,141	22,639,032
Total		104,197,750	104,472,750

NOTES FORMING PART OF ACCOUNTS

Notes : Schedule A to F and notes on accounts thereon forming part of this Balance Sheet.

As per our report of even date

For Sanjay Raja Jain & Co.
Chartered Accountants

For & on behalf of the Board of Directors

Sanjay Raja Jain
Partner

Director

Director

Place : Mumbai

Place : Mumbai

Date : 12th November, 2009

Date : 12th November, 2009

Consolidated Profit and Loss account for the year ended 30 th June, 2009

	Schedule	As on 30-06-2009 (Rs.)	As on 30-06-2008 (Rs.)
INCOME :			
Sales		2,979,500	7,390,000
Compensation recd		-	100,000
Other Income	G	-	113,977
TOTAL		2,979,500	7,603,977
EXPENDITURE :			
Decrease/(Increase) in Stock		804,500	3,888,380
Purchase		702,350	2,034,200
Direct Expenses		-	241,000
Administrative Expenses	H	3,508,095	3,593,874
Depreciation		193,804	193,634
TOTAL		5,208,749	9,951,088
Profit/(Loss) Before Tax		(2,229,249)	(2,347,111)
Less :- Fringe Benefit Tax		47,559	63,211
Less:- Income tax		2,300	-
Profit/(Loss) After Tax		(2,279,108)	(2,410,322)
Profit/(Loss) brought forwards from last year		(22,639,032)	(20,228,710)
Profit/(Loss) carried to Balance Sheet		(24,918,141)	(22,639,032)

NOTES FORMING PART OF ACCOUNTS

Note : Schedule G & H and notes on accounts thereon forming part of this Profit & Loss Account.

As per our report of even date

For Sanjay Raja Jain & Co.
Chartered Accountants

For & on behalf of the Board of Directors

Sanjay Raja Jain
Partner

Place : Mumbai
Date : 12th November, 2009

Director Director

Place : Mumbai
Date : 12th November, 2009

UNIVERSAL ARTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

	30-06-2009 (Rs.)	30.06.2008 (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
Authorised Capital		
1,10,00,000 Equity Shares of Rs. 10/- each	110,000,000	110,000,000
Issued and Subscribed Capital		
1,00,00,800 Equity Shares of Rs.10/- each	100,008,000	100,008,000
Paid-up Capital		
99,69,900 Equity shares of Rs. 10/- each fully paid up	99,699,000	99,699,000
Add : forfeited shares (Amounts originally paid on 30900 shares)	173,030	173,030
	99,872,030	99,872,030

SCHEDULE - B

Unsecured Loan

From company	-	275,000
From others	-	-
	-	275,000

SCHEDULE - C

FIXED ASSETS

		GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01/07/2008	Additions During the Year	Deductions During the Year	As on 30/06/2009	As on 01/07/2008	Provided for the Year	Deductions During the Year	As on 30/06/2009	As on 30/06/2009	As on 01/07/2008
Building	1.63%	750,000	-	-	750,000	76,406	12,225	-	88,631	661,369	673,594
Plant & Machinery	7.07%	2,057,400	-	-	2,057,400	1,043,719	145,458	-	1,189,177	868,223	1,013,681
Computers	16.21%	574,717	-	-	574,717	574,717	-	-	574,717	-	-
Office Equipment	4.75%	126,000	-	-	126,000	38,914	5,985	-	44,899	81,101	87,086
Portal & Content Right		1,475,230	-	-	1,475,230	1,475,230	-	-	1,475,230	-	-
Furnitures	6.33%	476,072	-	-	476,072	134,509	30,135	-	164,644	311,428	341,563
TOTAL		5,459,419			5,459,419	3,343,495	193,804		3,537,299	1,922,121	2,115,924
Previous year		5,449,919	9,500	-	5,459,419	3,149,861	193,634	-	3,343,495	2,115,924	

			30-06-2009 (Rs.)	30.06.2008 (Rs.)
SCHEDULE - D				
INVESTMENTS (Non-trade, Long term at cost)				
<u>In Equity Shares (Quoted & fully paid up)</u>				
Cadila Healthcare Ltd.	Qty.			
Cadila Healthcare Ltd.	330	(330)	82,500	82,500
Contech Software	1,200	(1,200)	7,200	7,200
Cyberwave Internet Solutions Ltd.	825	(825)	8,250	8,250
GDR Media	10	(10)	323	323
Infobahn Technologies Ltd.	9,000	(9,000)	225,000	225,000
Intertec Software Solutions Ltd.	7,200	(7,200)	720,000	720,000
Kirloskar Multimedia	100	(100)	190	190
Krisn Informations Technologies Ltd.	7,189	(7,189)	71,890	71,890
Online Media System	100	(100)	305	305
S. Kumar . Com Ltd.	1,000	(1,000)	66,400	66,400
Sibar Media Entertainment Ltd.	9,900	(9,900)	99,000	99,000
Sibar Software Ltd.	200	(200)	400	400
Top Telemedia (FV Rs. 10/-)	10	(10)	85	85
Top Media Ltd.	100	(100)	140	140
Vision Technology Ltd.	50	(50)	338	338
Weal Infotech Ltd.	10,150	(10,150)	101,500	101,500
<u>In Equity Shares of Companies (Unquoted & fully paid up)</u>				
Shilpam Inorganics Ltd.	8,000	(8,000)	400,000	400,000
Goldmines Telefilms Pvt. Ltd	23,500	(23,500)	34,450,000	34,450,000
(Market Value as on 30/6/2009 - Rs. 7,87,785/-)				
(Figures in bracket indicates previous year quantity)				
			36,233,521	36,233,521

UNIVERSAL ARTS LIMITED

	30-06-2009 (Rs.)	30.06.2008 (Rs.)
SCHEDULE - E		
CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank balance		
Cash in hand	100,363	330,308
Balances with Scheduled Banks in Current accounts	103,280	68,473
Sundry Debtors (Unsecured considered good)		
More than six months	1,280,066	1,034,566
Other	1,251,500	889,803
Inventories		
Stock and work in progress	12,540,860	13,345,360
Advance recoverable in cash or in kind or for value to be recd.	26,218,865	28,326,436
Less:- Provision for doubtful debt	8,886,266	(8,886,266)
	<u>32,608,668</u>	<u>35,108,681</u>
SCHEDULE - F		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for expenses	3,869,586	4,048,369
Outstanding expenses	271,660	275,166
Provision for Fringe Benefit Tax	239,200	196,620
Provision for Taxation	574,253	574,253
	<u>4,954,699</u>	<u>5,094,408</u>
SCHEDULE - G		
OTHER INCOME		
Profit on Sale Of Division	-	89,300
Other Income	-	24,000
Sundry Balance w/off	-	677
	-	<u>113,977</u>

	30-06-2009 (Rs.)	30.06.2008 (Rs.)
SCHEDULE - H		
SALARY, ADMINISTRATIVE & OTHER EXPENSES :		
<u>Employees Remuneration & Benefits</u>		
Salary, Bonus & other benefits	882,470	860,021
Staff Welfare	124,502	103,996
Advertising	52,673	39,336
Audit Fees	30,800	30,811
AGM Expenses	32,974	27,733
Annual Charges	34,367	31,327
Bank Charges	14,344	15,418
Brokerage	22,500	50,000
Books and Periodicals	58,432	69,952
Business Promotion expenses	225,649	233,143
Conveyance Expenses	275,723	301,156
Demat charges	552	562
Electricity charges	252,700	297,820
Interest	520	-
Legal & Professional expenses	151,500	165,500
Listing fees	13,511	29,000
Membership and Subscription	1,113	-
Miscellaneous expenses	178,387	102,604
Motor Car Expenses	47,651	105,416
Office expenses	143,965	150,604
Postage & Telegram	162,829	145,363
Printing & Stationery	171,160	165,206
Processing Charges	-	25,000
Profession Tax	3,125	2,500
Rent, Rates & Taxes	50,838	66,608
Registrar fees	56,025	52,806
Repairs & Maintenance	113,481	123,043
Sundry Balances W/off	269	-
Telephone, Telex & Courier	187,499	183,013
Travelling Expenses	218,538	215,936
	3,508,094	3,593,874

UNIVERSAL ARTS LIMITED

SCHEDULE - I

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 30TH JUNE, 2009

PRINCIPLES OF CONSOLIDATION:

The accompanying consolidated financial statements include the accounts of Universal Arts Ltd. (Formerly known as Goldmines Media Ltd.) and its following subsidiary:-

Name of the Company	% of holding
Bama Infotech Pvt. Ltd.	100

The financial statement of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of the items of assets, liabilities, income and expenses after fully eliminating inter group balances and inter group transactions.

A) SIGNIFICANT ACCOUNTING POLICIES:

1. The Accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and the applicable accounting standards issued by Institute of Chartered Accountants of India.
2. Fixed Assets:
 - a) Fixed assets are stated at cost less accumulated depreciation.
 - b) Portal and Content rights has been capitalized and has been amortized over the estimated economic life of the content.
3. Depreciation:
 - a) Depreciation on Fixed Assets is provided on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
 - b) Portal and Content right is amortized over period of three years.
4. Investments have been valued at cost.
5. Inventories includes Raw Stock (Tapes and Cassettes, etc.), TV Programmes/Episodes of TV Serials under production which have been valued at cost or estimated net realizable value, whichever is lower. The inventory of films have been valued at cost.
6. The Current assets, loans and advances are stated at the value, which will be realised in the ordinary course of the Company's business, except otherwise stated.
7. Revenue/Income is accounted as and when the relevant episode of the program is delivered to the Channel. Cost/expenditure are generally accounted for on accrual basis as they are incurred.
8. Miscellaneous Expenditure:
 - a) Preliminary Expenses are amortised over a period of ten accounting years.
 - b) Public issue expenses are amortised over a period of five accounting years.
9. Previous years figures are re-grouped and re-arranged wherever necessary.

B) NOTES ON ACCOUNTS

1. There were no earnings in foreign currency or expenditure in foreign currency in respect of acquisition of Fixed Assets, stores or raw materials.
2. Investments have been valued at cost and provision has not been made in the books for the depreciation in value of investments.

As per our report of even date

For Sanjay Raja Jain & Co.
Chartered Accountants

Sanjay Raja Jain
Partner

For & on behalf of the Board of Directors

Director

Director

Place : Mumbai
Date : 12th November, 2009

Place : Mumbai
Date : 12th November, 2009

UNIVERSAL ARTS LIMITED

Registered Office : Plot No. 45, Ganpati Bhavan, 1st Floor, M. G. Road, Goregaon (West), Mumbai 400 062.

PROXY FORM

Reg. Folio No.

I/We of

being a member/ members of Universal Arts Limited hereby appoint

of or failing him/ her

as my /our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Wednesday, 23rd December, 2009 at 12.00 noon at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai - 400062 and at any adjournment (s) thereof.

Signed this day of 2009

Signature

Re. 1 Revenue Stamp

Note : This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

UNIVERSAL ARTS LIMITED

Registered Office : Plot No. 45, Ganpati Bhavan, 1st Floor, M. G. Road, Goregaon (West), Mumbai 400 062.

ATTENDANCE SLIP

Fourteenth Annual General Meeting - 23rd December, 2009

Regd. Folio No.....

Nos. of Shares held

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Fourteenth Annual General Meeting of the Company held on Wednesday, 23rd December, 2009 at 12:00 noon at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai - 400062 ..

.....
Member's /Proxy's Name in Block Letters

.....
Signature of Member/Proxy

Note : Please fill up the Attendance Slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the meeting.

Book-Post

If undelivered please return to :

UNIVERSAL ARTS LIMITED

Plot No. 45, Ganpati Bhavan, 1st Floor, M. G. Road,
Goregaon (West), Mumbai 400 062.