

17th Annual Report
2011-2012

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 Sekhri Kanodia & Associates

Chartered Accountants

202, Shakti Sadan, B Wing,

Plot No. 14, Khernagar,

Opp. Provident Fund Office,

Bandra (E), Mumbai - 400 051.

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

Fax 2852 5207

Email: bigshare@bom7.vsnl.net.in

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Notice to the Members

NOTICE is hereby given that the Seventeenth Annual General Meeting of Universal Arts Limited will be held on Thursday, 20th day of December, 2012 at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062 at 11.00 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2012 and the Statement of 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 Mrs. Ulka Shah who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint M/s. Sekhri Kanodia & Associates, 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

Sd/-

Manish Shah
Managing Director

Place: Mumbai

Dated: 12th November, 2012

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 Friday, 14th December, 2012 to Thursday, 20th December, 2012 (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 Annual General 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 Annual General Meeting.

Directors' Report

Your Directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Accounts of the Company for the year ended on 30th June, 2012.

Financial Results

(Amount in Rs.)

	For year ended on 30th June, 2012	For year ended on 30th June, 2011
Gross Income	88,06,524	63,95,730
Expenditure	92,78,052	56,42,218
Profit before Taxation & Depreciation	26,78,472	7,53,512
Depreciation	1,93,804	1,93,804
Profit / (Loss) before tax	24,84,668	5,59,708
Provision for Taxation & Fringe Benefit Tax	2,27,028	2,750
Profit / (Loss) after tax	22,57,640	5,56,958
Profit / (Loss) brought forward from last year	(1,81,88,765)	(1,87,45,723)
Profit / (Loss) carried forward to Balance Sheet	(1,59,31,125)	(1,81,88,765)

Again due to existence of Big Corporate in the market, the Gross Income during the year under review increased to Rs.88.07 lakhs against Rs.63.96 lakhs during the previous year. Your Company posted a Profit before Tax of Rs.22.57 lakhs against a profit of Rs.5.60 lakhs 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.

Directors

Mrs. Ulka Shah will retire by rotation and being eligible, has offered herself for re-appointment at the ensuing Annual General Meeting. Your Directors recommend her 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;
- (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 2012 and of the profit 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;

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(iv) These annual accounts have been prepared on a going concern basis.

Auditors

M/s. Sekhri Kanodia & Associates., 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.

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

Sd/-

(Manish Shah)

Chairman cum Managing Director

Place: Mumbai

Date: 12th November, 2012

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 2012 too. The total size of the industry at present is about Rs.550 billion and is expected to grow to Rs.600 billion by 2013. The size of Indian television market was Rs.300 billion in 2012.

The television software segment, which provides content to broadcaster, accounted for about 20 percent of the entertainment industry and about 30 per cent of the Indian television industry. The same is expected to grow at the rate of about 15% per year.

Cable and satellite (C&S) penetration reached about 85 million households while average number channels increased to about 260. 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 260 lakhs households that brought television sets in India during last three years, 195 lakhs (75%) 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. 120 billion in 2010 and is expected to reach at about Rs. 180 billion by 2012. 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.

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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 buys rights of films produced in Hindi, Marathi, Gujarati, Bengali and Assamese languages and sells them on a piecemeal basis to various media organizations for a period of 5 years at a time.

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.

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 Ashtavinayak, 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 will small corpus.

Even though it was a bad year the gross income of the Company has increased from Rs. 63.96 lakhs in the previous year to Rs.88.06 lakhs in the current year. Due to such increased income, the Company has reported a profit of Rs. 22.57 lakhs in the current year as against a profit of Rs.5.56 lakhs during the previous year. The Company is trying to explore other areas of operation.

It has always been the policy of the Company to control and reduce the expenditure to the extent possible. No director has claimed any sitting fees / out of pocket expenses for attending board/ committee meetings. As a cost cutting measure, the strength of employees was kept to the bare minimum.

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 2012 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 ten 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 other 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. Satish Shidhaye	Member of the Committee	Non-executive	Independent
Mr. Manish Shah	Member of the Committee	Executive	Independent

During the year, the Committee held five 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 Mrs. Ulka Shah as its members. The Committee met four times during the year to approve the transfer of shares and other matters relating to transfer and registration of shares.

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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 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 2011, 31st December 2011, 31st March 2012 and 30th June 2012 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) 20th March, 2012 11.00 a.m.	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No
b) 24th December, 2010 12.00 noon	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No
c) 23rd December, 2009 12.00 noon	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No

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 Company's Compliance of conditions of Corporate Governance by **UNIVERSAL ARTS LIMITED** for the year ended 30th June, 2012, 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 of the financial statements of the Company

In our Opinion and to be 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 abovementioned Listing Agreement.

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

We further state that such compliance is neither an assurances 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 M/s Sekhri Kanodia & Associates
Chartered Accountants

Ajay Sekhri
Partner

Place : Mumbai
Date : 12th November, 2012

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, 2012.

For UNIVERSAL ARTS LIMITED
Manish Shah
MANAGING DIRECTOR

Place : Mumbai
Date : 12th November, 2012

Shareholders Information

Date, time and venue of 17th AGM	Thursday, 20th December 2012 at 11.00 am at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062.
Date of Book Closure	14th December 2012 to 20th December 2012 (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, 2012:

Category	% of Shareholding	Nos. of shares held
Promoters	0.0011	100
Private Bodies Corporate	6.8021	623742
Indian Public	89.5603	8212589
Non Resident Indians	3.5118	322030
Clearing Member	0.1247	11439
Total	100.0000	9169900

Total no. of shares forfeited but not re-issued (not included in above statement) = 30900

Distribution of Shareholding as on 30th June, 2012:

No. of Equity Share	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 - 5000	2715	56.95	7479860	8.16
5001 - 10000	957	20.07	8770580	9.56
10001 - 20000	467	9.80	7842530	8.55
20001 - 30000	190	3.99	5051830	5.51
30001 - 40000	91	1.91	3382690	3.69
40001 - 50000	101	2.12	4872560	5.31
50001 - 100000	130	2.73	9844720	10.73
100001 - and above	116	2.43	44454230	48.48
Total	4767	100.00	91699000	100.00

Total no. of shares forfeited but not re-issued (not included in above statement) = 30900

AUDITORS' REPORT

To,
The Members,
UNIVERSAL ARTS LTD

1. We have audited the attached Balance Sheet of **UNIVERSAL ARTS LIMITED** (Formerly Known as Goldmines Media Limited) as at 30th June, 2012 and the Statement of 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. 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.
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 Statement of 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 Statement of Profit & Loss Account and the Balance Sheet comply with the Accounting Standard referred to in sub section (3C) of section 211 of the Companies Act 1956.
 - e) In our opinion and to the best of our information and explanations given to us in Significant Accounting Policies and Notes on Accounts, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2012 and;
 - (ii) In the case of the Statement of Profit and Loss Account, of the Profit of the 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.
 - f) On the basis of the written representation received from Directors and taken on record by the Board of Directors we report that none of the Directors are disqualified as on 30th June, 2012, from being appointed as a Director in term of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.

FOR SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS
Sd/-

AJAY SEKHRI
(PARTNER)
MEMBERSHIP NO :- 032103
FIRM NO:- 109389W

Place : Mumbai.
Date : 12th November, 2012

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

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 and on the basis of such check as were considered appropriate and according to the information and explanation and representation given to us, we report:

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The management has physically verified most of the fixed assets at the year end. No material discrepancies were noticed on such verification.

- c) There is no disposal of fixed assets during the year.
2. The Company's inventory consists of intangible rights of movies and proper records of the same have been maintained by the management. Further, physical verification of said intangible rights is not possible.
 3. The Company has not taken loans from parties listed in register maintained u/s 301 of the Companies Act, 1956. The Company has granted loans to companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act, 1956. The year-end balance of loan given to such parties was Rs 141.10 lakhs.
 4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, being buying and selling of film rights. To the best of our knowledge, no major weaknesses in internal control were either reported or noticed by us during the course of our audit.
 5. 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.
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. The Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975.
 7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
 8. We have been informed that the Central Government has not prescribed for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
 9. According to the records of the Company, the Company has been generally regular in depositing undisputed statutory due with the appropriate authorities. There were no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs duty and Excise duty, which were outstanding as at the balance sheet date for a period of more than six months from the date they became payable.
There are no disputed dues which have remained unpaid as on 30th June, 2012 in respect of Sales tax, Income tax, Custom duty, Wealth tax, Excise duty, cess.
 10. The Company has accumulated losses at the end of the financial year which does not exceed 50% of the its net worth. Also, the Company has not incurred cash losses during the financial year covered by our audit.
 11. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
 12. The Company has not granted any loans and advances on the basis of security during the year.
 13. In our opinion, the provision of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society is not applicable to the Company.
 14. In our opinion, proper records have been maintained of the transactions and contracts relating to dealing in the shares and timely entries have been made therein.
 15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. During the year, Company has not taken any term loans.
 17. On the basis of overall examination of the balance sheet, we report that the funds raised on short-term basis have not been used for 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. The Company has not issued debentures during the year and hence, the question of creating securities in respect thereof does not arise.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedure performed and the representation obtained from the management, we report that in no case fraud on or by the Company has been noticed or reported during the year under audit.

FOR SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS
 Sd/-

AJAY SEKHRI
(PARTNER)
 MEMBERSHIP NO :- 032103
 FIRM NO:- 109389W

Place : Mumbai.
 Date : 12th November, 2012

Universal Arts Limited

Balance Sheet as on 30th, June 2012

	Note No	As on 30-06-2012 (Rs.)	As on 30-06-2011 (Rs.)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	2	99,872,030	99,872,030
b. Reserves and Surplus	3	(11,605,405)	(13,863,045)
2. CURRENT LIABILITIES			
a. Short-term borrowings	4	-	2,260,200
b. Trade Payables	5	1,501,162	10,209,667
c. Other Current Liabilities	6	134,159	928,805
d. Short Term Provisions	7	395,658	168,630
	TOTAL	90,297,604	99,576,287
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets			
i. Tangible Assets	8	1,340,709	1,534,513
ii. Intangible Assets	9	13,470,000	13,470,000
b. Non Current investments	10	10,796,000	45,743,000
c. Long term loans and advances	11	2,025,977	967,061
2. CURRENT ASSETS			
a. Inventories		2,811,350	8,626,420
b. Trade receivables	12	5,394,375	12,766,680
c. Cash and cash equivalents	13	39,248,313	871,828
d. Short-term loans and advances	14	15,183,806	15,566,703
e. Other Current Assets	15	27,074	30,082
	Total	90,297,604	99,576,287

Summary of Significant Accounting policies

1

The notes referred to above are an integral part of the Financial Statements

As per our separate Audit Report of Even Date Attached

For **Sekhri Kanodia & Associates**
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-

Ajay Sekhri
Partner

Membership No 032103

FIRM NO. 109389W

Sd/-

Rushi Upadhyaya
Company Secretary

Sd/-

Manish Shah
Managing Director

Sd/-

Ulka Shah
Director

Place : Mumbai
Date : 12th November, 2012

Place : Mumbai
Date : 12th November, 2012

Statement of Profit and Loss for the year ended 30th June, 2012.

	Note No	As on 30-06-2012 (Rs.)	As on 30-06-2011 (Rs.)
I. Revenue from operations			
Sales	26	6,545,000	5,437,500
II. Other Income	16	2,261,524	958,230
III. Total Revenue (I +II)		8,806,524	6,395,730
Expenses:			
Purchase of Stock-in-Trade		186,150	3,562,890
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	5,815,070	(840,000)
Employee Benefit expenses	18	1,333,711	1,015,517
Depreciation and amortization expense		193,804	193,804
Other expenses	19	1,943,121	1,903,811
IV.Total Expenses		9,471,856	5,836,022
V. Profit before exceptional and extraordinary items and tax(III-IV)		(665,332)	559,708
VI. Exceptional Items	20	3,150,000	-
VII. Profit before extraordinary items and tax (V - VI)		2,484,668	559,708
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		2,484,668	559,708
X. Tax expense:			
(1) Current tax		227,028	2,750
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations(IX - X)		2,257,640	556,958
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		2,257,640	556,958
XVI. Earning per equity share:			
(1) Basic		0.23	0.06
(2) Diluted		0.23	0.06

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1

As per our separate Audit Report of Even Date Attached

The notes referred to above are an integral part of the Financial Statements

For Sekhri Kanodia & Associates
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-

Ajay Sekhri
Partner

Membership No 032103

Sd/-

Sd/-

Sd/-

FIRM NO. 109389W

Rushi Upadhyaya**Manish Shah****Ulka Shah**

- Company Secretary

Managing Director

Director

Place : Mumbai

Date : 12th November, 2012

Place : Mumbai

Date : 12th November, 2012

Universal Arts Limited

Cash flow statement for the year ended 30th June 2012

(Rs. In '000)

Particulars	As at 30.06.2012	As at 30.06.2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	2,485	557
Adjustment for		
Gain on Sale of Investments	(3,150)	
Depreciation	194	194
Preliminary and issue expenses written off	-	-
Operating profit before working capital charges	(472)	751
Adjustment for		
(Increase)/Decrease in current Assets		
Loans & Advances	(673)	-
Trade and other receivable	7,372	(9,203)
Inventories	5,815	(840)
Increase/(Decrease) in current liabilities		
Trade payables	(9,503)	6,888
Net cash used in operating activities (A)	2,540	(2,404)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	-	-
Sale/(Purchase) of Investment	38,097	-
Net cash used in investing activities (B)	38,097	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans	(2,260)	2,210
Net cash used in financing activities (C)	(2,260)	2,210
NET INFLOW (OUTFLOW) [A+B+C]	38,376	(193)
D NET INCREASES IN CASH & CASH EQUIVALENTS		
Cash & Cash equivalents opening balance	872	1,065
Cash & Cash equivalents closing balance	39,248	872
	38,376	(193)

As per our report of even date

For **Sekhri Kanodia & Associates**
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-

Ajay Sekhri
Partner

Membership No 032103

FIRM NO. 109389W

Sd/-

Rushi Upadhyaya
Company Secretary

Sd/-

Manish Shah
Managing Director

Sd/-

Ulka Shah
Director

Place : Mumbai

Date : 12th November, 2012

Place : Mumbai

Date : 12th November, 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

Note 1:- SIGNIFICANT ACCOUNTING POLICIES**1. Basis of preparation of Financial Statements**

- a) The financial statements have been prepared under historical cost convention, in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles.
- c) The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The difference between the actual and estimate are recognized in the period in which results are known/materialized.

2. Fixed Assets and Depreciation

- a) Fixed assets are stated at cost less accumulated depreciation.
- b) Depreciation on fixed assets provided on straight-line method at the rates prescribed by Schedule XIV of the Companies Act, 1956.

3. Foreign Exchange Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Outstanding balances are valued at the rate prevailing on the Balance Sheet date.

4. Investments

The Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

5. Inventories

The inventories include Raw stock (Taps and cassettes etc.) TV programmers/ Episodes of TV serials under production and are valued at cost or net realizable value, whichever is lower. The inventory of film have been valued at cost.

6. Revenue Recognition.

- i) In the case of movies telecasted on Doordarshan, the revenue is recognized in the year in which Doordarshan sanctions the payment.
- ii) In case of sale of other rights, the Company recognizes the income when all the following criteria are met:
 - A license agreement is signed by both the parties;
 - The licensee is able to freely exploit the rights granted;
 - Effective date of grant of rights to the licensee has commenced as per the agreement or complete payment with respect to the rights has been received, whichever is earlier;
 - The Enterprise has no remaining performance obligations;
 - The arrangement is fixed and determinable;
 - Collection of the fee is reasonably assured;
 - All the essential deliverables to the licensee as per the agreement are completed.

Other streams of income

In all other cases, revenue is recognized when the Company has the undisputable right to receive the income.

Company has restated its accounting policies considering the nature of business. However such restatement does not affect the statement of profit & loss account and balance sheet of the Company.

7. Purchase of Movie rights.

The Enterprise recognizes purchase of movie rights when the all the below mentioned criteria are met:

- A license agreement is signed by both the parties;
- The Enterprise is able to freely exploit the rights granted;
- Effective date of grant of rights to the Enterprise has commenced as per the agreement or complete payment for the same has been made, whichever is earlier;
- The Seller has no remaining performance obligations;
- The arrangement is fixed and determinable;
- All essential deliverables to the Enterprise as per the agreement are completed.

8. Employees Retirement and other benefits

The Company does not fulfill the criteria of minimum number of Employee employed and therefore no provision is required to be made for Gratuity and provident fund.

9. Contingent Liabilities

Contingent liabilities are not provided for and are disclosed by way of notes.

10. Provisions for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Company has not provided deferred tax in the books.

11. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to statement of Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Universal Arts Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012 (Rs.)	30-06-2011 (Rs.)
NOTE 2 : SHARE CAPITAL		
A) Authorised, Issued, Subscribed and Paid Up Share Capital and par value per share		
Authorised Share Capital		
1,10,00,000 Equity Shares of Rs.10/- each	110,000,000	110,000,000
TOTAL	110,000,000	110,000,000
Issued and Subscribed Share Capital		
1,00,00,800 Equity Shares of Rs.10/- each	100,008,000	100,008,000
TOTAL	100,008,000	100,008,000
Paid Up Capital		
99,69,900 Equity Share of Rs.10/- each fully paid up	99,699,000	99,699,000
Add: Forfeited shares (Amount Originally paid on 30,900 Shares)	173,030	173,030
TOTAL	99,872,030	99,872,030
B) Share in the company held by each shareholder holding more than 5% shares		
Name of the Shareholder	No. of shares held in the company	Percentage of shares held
No shareholders hold more than 5% shares of the company	-	-
NOTE 3: RESERVES & SURPLUS		
Capital Reserve	4,325,720	4,325,720
Profit & Loss Account		
Balance as per previous Balance sheet	(18,188,765)	(18,745,723)
Add/(Less) : During the year	2,257,640	556,958
Closing Balance	(15,931,125)	(18,188,765)
TOTAL	(11,605,405)	(13,863,045)
NOTE 4 : SHORT TERM BORROWINGS		
LOANS AND ADVANCES FROM RELATED PARTIES		
Unsecured and Considered Good		
Bama Infotech Pvt Ltd	-	497,200
Goldmines Telefilms Pvt Ltd	-	1,763,000
TOTAL	-	2,260,200
NOTE 5: TRADE PAYABLE		
Sundry Creditors	1,501,162	10,209,667
TOTAL	1,501,162	10,209,667
NOTE 6 : OTHER CURRENT LIABILITIES		
Outstanding Expenses	134,159	928,805
TOTAL	134,159	928,805
NOTE 7 : SHORT TERM PROVISIONS		
Provision for Taxation	395,658	168,630
TOTAL	395,658	168,630

NOTE 8 : FIXED ASSETS-TANGIBLE

Reconciliation of gross amounts and net carrying amounts at the beginning and at the end of the year

Sr No.	Description	Gross Carrying Amount			Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount				
		As on 01/07/2011	Additional adjustment during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Provided during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Reversed during the year	Provided during the year	As on 30-06-2012	As on 30-06-2011	As on 30-06-2012
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (1)-(5)-(9)	(14)= (4)-(8)-(12)
1	Building	750,000	-	-	750,000	113,081	12,225	-	125,306	-	-	-	-	636,919	624,694
2	Plant and Machinery	2,057,400	-	-	2,057,400	1,480,117	145,458	-	1,625,575	-	-	-	-	577,283	431,825
3	Computers	574,717	-	-	574,717	574,717	-	-	574,717	-	-	-	-	-	-
4	Office Equipment	126,000	-	-	126,000	56,867	5,985	-	62,852	-	-	-	-	69,133	63,148
5	Furniture	476,072	-	-	476,072	224,894	30,135	-	255,029	-	-	-	-	251,178	221,043
	TOTAL	3,984,189	-	-	3,984,189	2,449,676	193,803	-	2,643,479	-	-	-	-	1,534,513	1,340,709

NOTE 9 : FIXED ASSETS-INTANGIBLE

Reconciliation of gross amounts and net carrying amounts at the beginning and at the end of the year

Sr No.	Description	Gross Carrying Amount			Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount				
		As on 01/07/2011	Additional adjustment during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Provided during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Reversed during the year	Provided during the year	As on 30-06-2012	As on 30-06-2011	As on 30-06-2012
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (1)-(5)-(9)	(14)= (4)-(8)-(12)
1	Portal & Content Right	1,475,230	-	-	1,475,230	1,475,230	-	-	1,475,230	-	-	-	-	-	-
2	Intangible Asset & Development	-	13,470,000	-	13,470,000	-	-	-	-	-	-	-	-	13,470,000	13,470,000
	TOTAL	1,475,230	13,470,000	-	14,945,230	1,475,230	-	-	1,475,230	-	-	-	-	13,470,000	13,470,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012 (Rs.)	30-06-2011 (Rs.)
NOTE 10 : NON CURRENT INVESTMENT		
Non Trade Investments		
i. Investments in Equity Instruments		
Unquoted		
Bama Infotech Pvt. Ltd. of Rs. 10/- each qty 1000- Subsidiary	100,000	100,000
Goldmines Telefilms Pvt. Ltd --- (23500)- Associate	-	34,450,000
ii. Investments in Debentures		
Bama Infotech Pvt. Ltd. of Rs. 1000/- each 10696 (11193)- Subsidiary	10,696,000	11,193,000
TOTAL	10,796,000	45,743,000
NOTE 11:- LONG TERM LOANS AND ADVANCES		
i. Security Deposits		
Reliance Energy Limited	51,450	51,450
ii. Balances with Government authorities		
Fringe Benefit Tax	-	16,435
T.D.S. - A.Y.2005-2006	272,246	272,246
T.D.S. - A.Y.2008-2009	63,916	63,916
T.D.S. - A.Y.2009-2010	-	134,469
T.D.S. - A.Y.2010-2011	23,175	23,175
T.D.S. - A.Y.2011-2012	-	249,720
T.D.S. - A Y 2012-2013	1,593,807	155,650
T.D.S. - A Y 2013-2014	21,383	-
TOTAL	2,025,977	967,061
NOTE 12 : TRADE RECEIVABLES		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	415,000	619,180
Other Trade receivable		
Unsecured considered good	4,979,375	12,147,500
TOTAL	5,394,375	12,766,680
NOTE :-Trade receivable includes debt due from private companies in which the director is a director		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	-	194,170
Other Trade receivable		
Unsecured considered good	3,104,375	-
NOTE 13 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	38,003,829	73,534
B) Cash in hand		
	1,244,484	798,294
TOTAL	39,248,313	871,828
NOTE 14 : SHORT TERM LOANS AND ADVANCES		
a. Loans and advances due by private companies in which director is a director/member		
Unsecured considered good	14,114,500	14,264,500
Sub Total	14,114,500	14,264,500

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012	30-06-2011
	(Rs.)	(Rs.)
b. Loans and Advances to others		
Unsecured considered good	1,069,306	1,302,203
Doubtful	8,886,266	8,886,266
Less:- Allowance for bad and doubtful advances	(8,886,266)	(8,886,266)
Sub Total	1,069,306	1,302,203
TOTAL	15,183,806	15,566,703
NOTE 15 : OTHER CURRENT ASSETS		
Interest accrued	27,074	30,082
TOTAL	27,074	30,082
NOTE 16 : OTHER INCOME		
Commission received (refer note no. 26)	250,500	805,000
Sundry Balances written back	1,864,595	-
Interest Income	146,429	153,230
TOTAL	2,261,524	958,230
NOTE 17 : CHANGES IN INVENTORIES		
Closing Stock	2,811,350	8,626,420
Opening Stock	8,626,420	7,786,420
TOTAL	5,815,070	(840,000)
NOTE 18 : EMPLOYEE BENEFIT EXPENSES		
<u>Salaries and wages, bonus, gratuity and allowances:</u>		
Salary, Bonus & Exgratia	1,223,889	911,170
<u>Staff Welfare Expenses</u>		
Staff Welfare Expenses	109,822	104,347
TOTAL	1,333,711	1,015,517
NOTE 19 : Other EXPENSES		
Advertising Expenses	40,865	39,382
Audit Fees	28,782	28,000
AGM Expenses	17,602	17,577
Annual Charges	45,551	45,482
Books and Periodicals	32,884	28,573
Business Promotion expenses	143,407	136,597
Electricity charges	158,280	150,990
Conveyance Expenses	270,831	268,397
Legal & Professional expenses	-	203,000
Listing fees	27,879	19,341
Miscellaneous expenses	149,661	138,551
Membership & Subscription	-	788
Office expenses	143,336	139,466
Postage & Telegram	200,415	134,132
Printing & Stationery	174,964	155,463
Professional Fees	58,150	-
Profession Tax	2,500	2,500
Registrar fees	41,140	44,401
Repairs & Maintenance	124,909	104,069
Rent, Rates & Taxes	20,750	26,490

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012 (Rs.)	30-06-2011 (Rs.)
Telephone, Telex & Courier	162,363	139,035
Travelling Expenses	95,175	55,322
Sundry Balance w/off	-	17,418
Bank Charges	3,677	8,837
TOTAL	1,943,121	1,903,811
NOTE 20 : EXCEPTIONAL ITEMS		
Sale of Investments (refer note no. 26)	3,150,000	-
TOTAL	3,150,000	-

NOTE 21 : There are no dues to parties registered under Micro, Small and Medium Enterprises Development Act 2006 as on 30.06.2012.

NOTE 22 : Company has not recognised Deferred Tax in the books because of future uncertainty in setting off the losses

NOTE 23 : Contingent Liabilities is Rs. Nil (P.Y. Rs. Nil)

NOTE 24 : The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 30th June, 2012 have been called for and are subject to confirmation & reconciliation as the necessary communication in this respect is not received from them. The management has scrutinized the accounts and the balances appearing in the Balance Sheet are correct.

NOTE 25 : Segment Reporting: In the opinion of the management the company is mainly engaged in the sale of Film, TV serial, Film. All other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

NOTE 26 : Related Party Disclosure

Name	Relationship	Nature of transaction	Amount
Goldmines Telefilms Pvt. Ltd.	Enterprises over which key management personnel exercise significant influence	Commission received Sale of Films.	250,500 6,300,000
Rotocap Real Estate Advisors Private Limited		Sale of Shares	3,450,000
Luminuous Trading Private Limited		Sale of Shares	16,800,000
Kartik Trading Private Limited		Sale of Shares	9,400,000
Mima Cinevision Private Limited		Sale of Shares	1,800,000
Mima Communication Private Limited		Sale of Shares	1,650,000
Indigo Real Estate Developers private Limited		Sale of Shares	675,000
Revati Cinevision Private Limited		Sale of Shares	675,000

As per our report of even date

For **Sekhri Kanodia & Associates**
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-

Ajay Sekhri
Partner

Membership No 032103

FIRM NO. 109389W

Sd/-

Rushi Upadhyaya

Company Secretary

Sd/-

Manish Shah

Managing Director

Sd/-

Ulka Shah

Director

Place : Mumbai

Date : 12th November, 2012

Place : Mumbai

Date : 12th November, 2012

DIRECTORS' REPORT

To,
The Members of
BAMA INFOTECH PRIVATE LIMITED

Yours Directors have pleasures in presenting the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2012 are as follows:-

	For the year ended 31.03.2012	For the year ended 31.03.2011
Total Income	Nil	Nil
Total Expenditure	439,847	188,555
PROFIT / (LOSS) BEFORE TAX	(439,847)	(188,555)
Less: Income Tax	Nil	Nil
PROFIT / (LOSS) AFTER TAX	(439,847)	(188,555)
Profit / (Loss) brought forward from last year	(8,104,028)	(7,915,473)
Profit / (Loss) Carried to Balance Sheet	(8,543,875)	(8,104,028)

DIVIDEND :

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

DIRECTORS:

Presently the Board of Directors of the Company comprises of two Directors. There were no changes in the Directors of the Company from the date of previous Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that :

1. In preparation of Annual Accounts, the applicable accounting standards have been followed along with 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, 2012 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 neither invited nor accepted any fixed deposits from the public during the year within the meaning of section 58A and 58AA of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS:

M/s Piyush Nagawat & Associates, Chartered Accountants, Statutory Auditors of the Company who retires on the conclusion of the ensuing Annual General Meeting of the Company have expressed their unwillingness for re-appointment. Hence M/s. Sekhri Kanodia & Associates Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company.

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, Government Authorities and shareholders of the Company for the unstinted 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 : 28th August, 2012

Sd/-
DIRECTOR

Sd/-
DIRECTOR

AUDITORS' 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, 2012 and Statement of 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 Statement of Profit and Loss Account dealt with by this report are in agreement with the books of accounts of the Company.
 - d) In our opinion Statement of 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012, 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, 2012 and
 - ii) In the case of Statement of Profit & Loss, of the loss of the company for the year ended on that date.

For PIYUSH NAGAWAT & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

PIYUSH NAGAWAT
Proprietor

Place : Mumbai
Date : 28th August, 2012.

Balance Sheet as on 31st March, 2012

	Note No.	As on 31-03-2012 (Rs.)	As on 31-03-2011 (Rs.)
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	100,000	100,000
Reserves and Surplus	3	(8,543,875)	(8,104,028)
		<u>(8,443,875)</u>	<u>(8,004,028)</u>
NON CURRENT LIABILITIES			
Long-term borrowings	4	10,696,000	11,353,500
		<u>10,696,000</u>	<u>11,353,500</u>
CURRENT LIABILITIES			
Trade payables	5	361,775	355,075
		<u>361,775</u>	<u>355,075</u>
TOTAL		<u><u>2,613,900</u></u>	<u><u>3,704,547</u></u>
II. ASSETS			
NON-CURRENT ASSETS			
Non- Current investments	6	1,383,521	1,783,521
Long term loans and advances	7	641,167	158,367
		<u>2,024,688</u>	<u>1,941,888</u>
CURRENT ASSETS			
Inventories		35,000	35,000
Trade receivables	8	520,241	689,641
Cash and cash equivalents	9	33,971	1,038,018
		<u>589,212</u>	<u>1,762,659</u>
TOTAL		<u><u>2,613,900</u></u>	<u><u>3,704,547</u></u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Note :- The notes referred to above are an integral part of the Balance Sheet

As per our separate Audit Report of Even Date Attached

For Piyush Nagawat & Associates

Chartered Accountants

Sd/-

Piyush Nagawat

Proprietor

MEMBERSHIP NO. : 129530

Place : Mumbai

Date : 28th August, 2012

For & on behalf of the Board of Directors

Sd/-

Manish Shah

Director

Place : Mumbai

Date : 28th August, 2012

Sd/-

Ulka Shah

Director

Note 1 :- Notes forming part of the Financial Statements for the year ended 31st March, 2012**Corporate Information**

Bama Infotech Private Limited is a 100% subsidiary of Universal Arts Ltd. The Company is in the business of investment in shares and dealing in doordarshan rights of films. The office of the Company is in Mumbai.

1. Significant Accounting policies

- 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 Accountant of India.
- Investments have been valued at Cost and are physically verified by the management.
- The Current assets, loans and advances are stated at the value, which will be raised in the ordinary course of Company's business.
- Revenue/ Income and cost / expenditure are generally accounted for on accrual basis as they are earned or incurred.
- 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.
- There were no earnings in foreign currency or expenditure in foreign currency in respect of acquisition of Fixed Assets, stores or raw material.
- Investments have been valued at cost and provision has not been made in the books for the depreciation in value of investments.
- Previous year figures are regrouped and recasted wherever necessary.
- Other information required under Schedules VI Part – II are either NIL or not applicable to the Company.

For Piyush Nagawat & Associates

Chartered Accountants

Sd/-

Piyush Nagawat

Proprietor

MEMBERSHIP NO. : 129530

Place : Mumbai

Date : 28th August, 2012

For and on Behalf of the Board of Directors

Sd/-

Manish Shah

Director

Place : Mumbai

Date : 28th August, 2012

Sd/-

Ulka Shah

Director

Bama Infotech Private Limited

Statement of Profit and loss account for the year ended 31st March, 2012

	Note No.	As on 31-03-2012 (Rs.)	As on 31-03-2011 (Rs.)
REVENUE FROM OPERATION			
Closing Stock		35,000	35,000
TOTAL REVENUE		35,000	35,000
EXPENSES			
Opening Stock		35,000	35,000
Direct Expenses		-	65,500
Employee Benefit expenses	10	74,227	76,415
Financial costs	11	1,048	4,219
Other expenses	12	364,572	42,421
TOTAL EXPENSES		474,847	223,555
PROFIT BEFORE TAX AND EXCEPTIONAL AND EXTRAORDINARY ITEMS		(439,847)	(188,555)
Exceptional Items		-	-
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(439,847)	(188,555)
Extraordinary Items		-	-
PROFIT BEFORE TAX		(439,847)	(188,555)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
PROFIT AFTER TAX		(439,847)	(188,555)
EARNING PER EQUITY SHARE			
(1) Basic		N.A.	N.A.
(2) Diluted		N.A.	N.A.

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 1

Notes :- The notes referred to above are an integral part of the Profit and Loss

As per our separate Audit Report of Even Date Attached

For & on behalf of the Board of Directors

For Piyush Nagawat & Associates

Chartered Accountants

Sd/-

Sd/-

Sd/-

Piyush Nagawat

Proprietor

MEMBERSHIP NO. : 129530

Place : Mumbai

Date : 28th August, 2012

Manish Shah

Director

Ulka Shah

Director

Place : Mumbai

Date : 28th August, 2012

Notes forming part of the financial statements for the year ended 31st March, 2012

Particulars	31-03-2012 (Rs.)	31-03-2011 (Rs.)
NOTE 2 : SHARE CAPITAL		
A) Authorised, Issued, Subscribed and paid up Share Capital and par value per share		
Authorised Share Capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
TOTAL	100,000	100,000
Issued, subscribed and Paid up Share Capital		
10,000 Equity Shares of Rs. 10/- each fully paid up	100,000	100,000
TOTAL	100,000	100,000
B) Share in the company held by each shareholder holding more than 5% shares		
Name of the Shareholder	No. of shares held in the company	Percentage of shares held
Universal Arts Limited	10,000	100%
TOTAL	10,000	100%

Notes forming part of the financial statements for the year ended 31st March, 2012

Particulars	31-03-2012 (Rs.)	31-03-2011 (Rs.)
NOTE 3: RESERVES & SURPLUS		
Profit & Loss Account		
Balance as per previous Balance sheet	(8,104,028)	(7,915,473)
Add/(Less) : During the year	(439,847)	(188,555)
Closing Balance	<u>(8,543,875)</u>	<u>(8,104,028)</u>
TOTAL	<u>(8,543,875)</u>	<u>(8,104,028)</u>
NOTE 4 : LONG TERM BORROWINGS		
TERM LOANS FROM BANKS		
	NIL	NIL
TERM LOANS FROM OTHERS		
Unsecured	10,696,000	11,353,500
TOTAL	<u>10,696,000</u>	<u>11,353,500</u>
NOTE 5 : TRADE PAYABLE		
Sundry Creditors	361,775	355,075
TOTAL	<u>361,775</u>	<u>355,075</u>
NOTE 6 : NON CURRENT INVESTMENT		
Long Term Investment		
Trade		
Equity Shares (Quoted and fully paid-up)		
Cadila Healthcare Ltd	82,500	82,500
330 equity shares of Rs. 10/- each fully paid up		
Arms Paper Ltd	7,200	7,200
1200 equity shares of Rs. 10/- each fully paid up		
Cyberwave Infrastructure Ltd	8,250	8,250
825 equity shares of Rs. 10/- each fully paid up		
GDR Media Ltd	323	323
10 equity shares of Rs. 10/- each fully paid up		
Infobahn Corporation Ltd	225,000	225,000
9000 equity shares of Rs. 10/- each fully paid up		
Intertec Software Solutions Ltd.	720,000	720,000
7200 equity shares of Rs. 10/- each fully paid up		
EDMS Ltd	190	190
100 equity shares of Rs. 10/- each fully paid up		
Krisn Informations Technologies Ltd	71,890	71,890
7189 equity shares of Rs. 10/- each fully paid up		
Virgo Golbal Media Ltd	305	305
100 equity shares of Rs. 10/- each fully paid up		
S. Kumar Online Ltd.	66,400	66,400
1000 equity shares of Rs. 10/- each fully paid up		
Sibar Media Entertainment Ltd.	99,000	99,000
9900 equity shares of Rs. 10/- each fully paid up		
Sibar Software Ltd	400	400
200 equity shares of Rs. 10/- each fully paid up		
Top Telemedia Ltd. (FV Rs. 10/-)	85	85
10 equity shares of Rs. 10/- each fully paid up		
Top Media Ltd	140	140
100 equity shares of Rs. 10/- each fully paid up		
Vision Cinemas Ltd	338	338
50 equity shares of Rs. 10/- each fully paid up		
Weal Infotech Ltd.	101,500	101,500
10150 equity shares of Rs. 10/- each fully paid up		
(Market Value as on 31.03.2012 - Rs 8,17,593/- Previous Year Rs. 9,61,441/-)		
Equity Shares Unquoted and fully paid-up in other Companies		
Solitaire Entertainment Ltd	-	400,000
TOTAL	<u>1,383,521</u>	<u>1,783,521</u>

Bama Infotech Private Limited

Notes forming part of the financial statements for the year ended 31st March, 2012

Particulars	31-03-2012 (Rs.)	31-03-2011 (Rs.)
NOTE 7 : LONG TERM LOANS AND ADVANCES		
<u>Loans and Advances</u>		
Unsecured, Considered Good	641,167	158,367
TOTAL	641,167	158,367
NOTE 8 : TRADE RECEIVABLES		
A) Trade Receivables outstanding for more than six months from the date they became due for payment :	520,241	689,641
TOTAL	520,241	689,641
NOTE 9 : CASH AND CASH EQUIVALENTS		
A) <u>Balances with Banks</u>		
Cash at Bank (in current A/c)	26,763	1,021,538
B) <u>Cash in hand</u>	7,208	16,480
TOTAL	33,971	1,038,018
NOTE 10 : EMPLOYEE BENEFIT EXPENSES		
<u>Salaries and wages, bonus, gratuity and allowances:</u>		
Salary, Bonus & Exgratia	70,000	70,000
<u>Staff Welfare Expenses</u>		
Staff Welfare Expenses	4,227	6,415
TOTAL	74,227	76,415
NOTE 11 : FINANCIAL EXPENSES		
Bank Charges	1,048	4,219
TOTAL	1,048	4,219
NOTE 12 : OTHER EXPENSES		
Rates and Taxes other than taxes on income	1,200	800
<u>Payment to statutory auditors</u>		
As Audit Fees	5,000	2,800
Conveyance	4,957	6,147
Books and periodicals	5,058	6,174
Demat Charges	827	827
Loss on Sale of Investment	320,000	-
Miscellaneous Expenses	5,278	6,268
Professional Fees	9,500	-
Postage and telegram	4,320	6,565
Printing and stationary	4,087	6,495
Telephone, telex and fax charges	4,345	6,345
TOTAL	364,572	42,421

As per our separate Audit Report of Even Date Attached
For Piyush Nagawat & Associates

Chartered Accountants

Sd/-

Piyush Nagawat

Proprietor

MEMBERSHIP NO.: 129530

Place: Mumbai

Date : 28th August, 2012

For & on behalf of the Board of Directors

Sd/-

Manish Shah

Director

Place: Mumbai

Date : 28th August, 2012

Sd/-

Ulka Shah

Director

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, 2012 and the Statement of 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 Statement of 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 the information required by the Companies Act, 1956, in the manner so required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Consolidated Balance Sheet, of the state of affairs of Universal Arts Ltd. and its subsidiary as at 30th June, 2012 and
 - ii) In the case of Consolidated Statement of Profit & Loss Account, of the consolidated results of Universal Arts Ltd. and its subsidiaries for the year ended as on that date.

For SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

AJAY SEKHRI

Partner

MEMBERSHIP NO :- 032103

FIRM NO:- 109389W

Place : Mumbai

Date : 12th November, 2012.

Universal Arts Limited

Consolidated Balance Sheet as on 30th June, 2012

	Note No.	As on 30-06-2012 (Rs.)	As on 30-06-2011 (Rs.)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUND			
a. Share Capital	2	99,872,030	99,872,030
b. Reserves and Surplus	3	(20,173,624)	(21,992,738)
2. CURRENT LIABILITIES			
a. Short Term Borrowing	4	-	1,923,500
b. Trade Payables	5	1,859,687	10,565,992
c. Other Current Liabilities	6	134,159	928,805
d. Short Term Provisions	7	395,658	168,630
TOTAL		82,087,910	91,466,219
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets			
i. Tangible Assets	8	1,340,709	1,534,513
ii. Intangible Assets	9	13,470,000	13,470,000
b. Non Current Investments	10	1,383,521	36,233,521
c. Long term loans and advances	11	2,029,394	970,478
2. CURRENT ASSETS			
a. Inventories		2,846,350	8,661,420
b. Trade receivables	12	5,914,616	13,376,236
c. Cash and cash equivalents	13	39,274,690	905,431
d. Short-term loans and advances	14	15,801,556	16,284,538
e. Other Current Assets	15	27,074	30,082
TOTAL		82,087,910	91,466,219

Summary of Significant Accounting policies 1

The notes referred to above are an integral part of the Financial Statements

For **Sekhri Kanodia & Associates**
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-

Ajay Sekhri
Partner

Membership No 032103

FIRM NO. 109389W

Sd/-

Rushi Upadhyaya

Company Secretary

Sd/-

Manish Shah

Managing Director

Sd/-

Ulka Shah

Director

Place : Mumbai

Date : 12th November, 2012

Place : Mumbai

Date : 12th November, 2012

Consolidated Statement of Profit and Loss account for the year ended 30th June, 2012

	Note No.	As on 30-06-2012 (Rs.)	As on 30-06-2011 (Rs.)
I. Revenue from operations			
Sales	26	6,545,000	5,437,500
II. Other Income	16	2,261,524	958,230
III. Total Revenue (I +II)		8,806,524	6,395,730
Expenses:			
Purchase of Stock-in-Trade		186,150	3,562,890
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	5,815,070	(840,000)
Employee Benefit expenses	18	1,407,987	1,090,389
Depreciation and amortization expense		193,804	193,804
Other expenses	19	2,307,371	2,007,308
IV.Total expenses		9,910,382	6,014,391
PROFIT BEFORE TAX AND EXCEPTIONAL AND EXTRAORDINARY ITEMS		(1,103,858)	381,339
Exceptional Items		-	-
PROFIT BEFORE TAX AND EXTRAORINDARY ITEMS		(1,103,858)	381,339
Extraordinary Items	20	3,150,000	-
PROFIT BEFORE TAX		2,046,142	381,339
Tax expense:			
(1) Current tax		227,028	2,750
(2) Deferred tax		-	-
		227,028	2,750
PROFIT AFTER TAX		1,819,114	378,589
EARNING PER EQUITY SHARE			
(1) Basic		0.18	0.04
(2) Diluted		0.18	0.04

Summary of Significant Accounting policies

1

The notes referred to above are an integral part of the Financial Statements

For Sekhri Kanodia & Associates

For and on Behalf of the Board of Directors

Chartered Accountants

Sd/-

Ajay Sekhri

Partner

Membership No 032103

Sd/-

Sd/-

Sd/-

FIRM NO. 109389W

Rushi Upadhyaya**Manish Shah****Ulka Shah**

Company Secretary

Managing Director

Director

Place : Mumbai

Place : Mumbai

Date : 12th November, 2012

Date : 12th November, 2012

Notes forming part of the Financial Statements for the year ended 30th June, 2012

NOTE 1 :-SIGNIFICANT ACCOUNTING POLICIES

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.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

- a) The financial statements have been prepared under historical cost convention, in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956 and the applicable accounting standards issued by Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The Difference between the actual and estimate are recognized in the period in which results are known/materialized.

2. Fixed Assets and Depreciation

- a) Fixed assets are stated at cost less accumulated depreciation.
- b) Portal & content rights has been capitalized and has been amortized over the estimated economical life of the content.
- c) Depreciation on fixed assets provided on straight-line method at the rates prescribed by Schedule XIV of the Companies Act, 1956.
- d) Portal & contents rights are amortized over the period of three years.

3. Foreign Exchange Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Outstanding balances are valued at the rate prevailing on the Balance Sheet date.

4. Investments

The Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

5. Inventories

The inventories include Raw stock (Taps and cassettes etc.) TV programmers/ Episodes of TV serials under production are valued at cost or net realizable value, whichever is lower. The inventories of film have been valued at cost.

6. Revenue Recognition.

- i) In the case of movies telecasted on Doordarshan, the revenue is recognized in the year in which Doordarshan sanctions the payment.
- ii) In case of sale of other rights, the Company recognizes the income when all the following criteria are met:
 - A license agreement is signed by both the parties;
 - The licensee is able to freely exploit the rights granted;
 - Effective date of grant of rights to the licensee has commenced as per the agreement or complete payment with respect to the rights has been received, whichever is earlier;
 - The Enterprise has no remaining performance obligations;
 - The arrangement is fixed and determinable;
 - Collection of the fee is reasonably assured;
 - All the essential deliverables to the licensee as per the agreement are completed.

Other streams of income

In all other cases, revenue is recognized when the Company has the undisputable right to receive the income.

7. Purchase of Movie rights.

The Enterprise recognizes purchase of movie rights when the all the below mentioned criteria are met:

- A license agreement is signed by both the parties;
- The Enterprise is able to freely exploit the rights granted;
- Effective date of grant of rights to the Enterprise has commenced as per the agreement or complete payment for the same has been made, whichever is earlier;
- The Seller has no remaining performance obligations;
- The arrangement is fixed and determinable;

All essential deliverables to the Enterprise as per the agreement are completed.

8. Employees Retirement and other benefits

The Company does not fulfill the criteria of minimum number of Employee employed and therefore no provision is required to be made for Gratuity and provident fund.

9. Contingent Liabilities

Contingent liabilities are not provided for and are disclosed by way of notes.

10. Provisions for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Company has not provided deferred tax in the books.

11. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012 (Rs.)	30-06-2011 (Rs.)
NOTE 2 : SHARE CAPITAL		
A) Authorised, Issued, Subscribed and paid up Share Capital and par value per share		
Authorised Share Capital		
1,10,00,000 Equity Share of Rs.10/- Each	110,000,000	110,000,000
TOTAL	110,000,000	110,000,000
Issued and subscribed Share Capital		
1,00,00,800 Equity Share of Rs.10/- Each	100,008,000	100,008,000
TOTAL	100,008,000	100,008,000
Paid Up Capital		
99,69,900 Equity Share of Rs.10/- each fully paid up	99,699,000	99,699,000
Add: Forfeited shares (Amount Originally paid on 30,900 Shares)	173,030	173,030
TOTAL	99,872,030	99,872,030
B) Share in the company held by each shareholder holding more than 5% shares		
Name of the Shareholder		Percentage of shares held
No shareholders hold more than 5% shares of the company	-	-
NOTE 3: RESERVES & SURPLUS		
Capital Reserve	4,325,720	4,325,720
Profit & Loss Account		
Balance as per previous Balance sheet	(26,318,458)	(26,697,047)
Add/(Less) : During the year	1,819,114	378,589
Closing Balance	(24,499,344)	(26,318,458)
TOTAL	(20,173,624)	(21,992,738)
NOTE 4 : SHORT TERM BORROWINGS		
TERM LOANS FROM BANKS		
	-	-
TERM LOANS FROM OTHERS		
Unsecured and Considered Good	-	1,923,500
TOTAL	-	1,923,500
NOTE 5: TRADE PAYABLE		
Sundry Creditors	1,859,687	10,565,992
TOTAL	1,859,687	10,565,992
NOTE 6 : OTHER CURRENT LIABILITIES		
Outstanding Expenses	134,159	928,805
TOTAL	134,159	928,805
NOTE 7 : SHORT TERM PROVISIONS		
Provision for Taxation	395,658	168,630
TOTAL	395,658	168,630

NOTE 8 : FIXED ASSETS-TANGIBLE**Reconciliation of gross amounts and net carrying amounts at the beginning and at the end of the year**

Sr No.	Description	Gross Carrying Amount			Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount				
		As on 01/07/2011	Additional adjustment during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Provided during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Reversed during the year	Provided during 30-06-2012	As on 30-06-2011	As on 30-06-2012	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (1)-(5)-(9)	(14)= (4)-(8)-(12)
1	Building	750,000	-	-	750,000	113,081	12,225	-	125,306	-	-	-	-	636,919	624,694
2	Plant and Machinery	2,057,400	-	-	2,057,400	1,480,117	145,458	-	1,625,575	-	-	-	-	577,283	431,825
3	Computers	574,717	-	-	574,717	574,717	-	-	574,717	-	-	-	-	-	-
4	Office Equipment	126,000	-	-	126,000	56,867	5,985	-	62,852	-	-	-	-	69,133	63,148
5	Furniture	476,072	-	-	476,072	224,894	30,135	-	255,029	-	-	-	-	251,178	221,043
	TOTAL	3,984,189	-	-	3,984,189	2,449,676	193,803	-	2,643,479	-	-	-	-	1,534,513	1,340,709

NOTE 9 :FIXED ASSETS-INTANGIBLE**Reconciliation of gross amounts and net carrying amounts at the beginning and at the end of the year**

Sr No.	Description	Gross Carrying Amount			Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount				
		As on 01/07/2011	Additional adjustment during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Provided during the year	Deductions during the year	As on 30-06-2012	As on 01-07-2011	Reversed during the year	Provided during 30-06-2012	As on 30-06-2011	As on 30-06-2012	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (1)-(5)-(9)	(14)= (4)-(8)-(12)
1	Portal & Content Right	1,475,230	-	-	1,475,230	1,475,230	-	-	1,475,230	-	-	-	-	-	-
2	Intangible Asset & Development	-	13,470,000	-	13,470,000	-	-	-	-	-	-	-	-	13,470,000	13,470,000
	TOTAL	1,475,230	13,470,000	-	14,945,230	1,475,230	-	-	1,475,230	-	-	-	-	13,470,000	13,470,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012 (Rs.)	30-06-2011 (Rs.)
Note 10 : NON CURRENT INVESTMENT		
INVESTMENTS (Non-trade, Long term at cost)		
In Equity Shares (Quoted & fully paid up)	1,383,521	1,383,521
In Equity Shares of Companies (Unquoted & fully paid up)	-	34,850,000
TOTAL	1,383,521	36,233,521
NOTE 11:- LONG TERM LOANS AND ADVANCES		
i. Security Deposits		
Reliance Energy Limited	51,450	51,450
ii. Balances with Government Authorities		
Fringe Benefit Tax	-	16,435
T.D.S. - A.Y.2003-2004	3,417	3,417
T.D.S. - A.Y.2005-2006	272,246	272,246
T.D.S. - A.Y.2008-2009	63,916	63,916
T.D.S. - A.Y.2009-2010	-	134,469
T.D.S. - A.Y.2010-2011	23,175	23,175
T.D.S. - A.Y.2011-2012	-	249,720
T D S A Y 2012-2013	1,593,807	155,650
T.D.S. - A.Y.2013-2014	21,383	-
TOTAL	2,029,394	970,478
NOTE 12 : TRADE RECEIVABLES		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	935,241	1,228,736
Other Trade receivable		
Unsecured considered good	4,979,375	12,147,500
TOTAL	5,914,616	13,376,236
NOTE :- Trade receivable includes debt due from private companies in which the director is a director		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	-	194,170
Other Trade receivable		
Unsecured considered good	3,104,375	-
NOTE 13 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	38,026,092	94,024
B) Cash in hand	1,248,598	811,407
TOTAL	39,274,690	905,431
NOTE 14 : SHORT TERM LOANS AND ADVANCES		
a. Loans and advances due by private companies in which director is a director/member		
Unsecured Considered Good	14,732,250	14,982,335
Sub Total	14,732,250	14,982,335

b. Loans and Advances to others

Unsecured Considered Good	1,069,306	1,302,203
Doubtful	8,886,266	8,886,266
Less: Allowances for a bad and doubtful advances	(8,886,266)	(8,886,266)
Sub Total	1,069,306	1,302,203
TOTAL	15,801,556	16,284,538

NOTE 15 : OTHER CURRENT ASSETS

Interest Accrued	27,074	30,082
	27,074	30,082

NOTE 16 : OTHER INCOME

Commission received (refer note no. 26)	250,500	805,000
Sundry Balances written back	1,864,595	153,230
Interest Income	146,429	-
TOTAL	2,261,524	958,230

NOTE 17 : CHANGE IN INVENTORIES

Closing Stock	2,846,350	8,661,420
Opening Stock	8,661,420	7,821,420
TOTAL	5,815,070	(840,000)

NOTE 18 : EMPLOYEE BENEFIT EXPENSESSalaries and wages, bonus, gratuity and allowances:

Salary, Bonus & Exgratia	1,293,889	981,170
<u>Staff Welfare Expenses</u>		
Staff Welfare Expenses	114,098	109,219
TOTAL	1,407,987	1,090,389

NOTE 19 : OTHER EXPENSES

Advertising Expenses	40,865	39,382
Audit Fees	33,782	31,350
AGM Expenses	17,602	17,577
Annual Charges	45,551	45,482
Books and Periodicals	37,950	33,538
Business Promotion expenses	143,407	136,597
Electricity charges	158,280	150,990
Conveyance Expenses	275,751	273,278
Demat Charges	827	827
Legal & Professional expenses	-	203,000
Loss on Sale of Investment	320,000	-
Listing fees	27,879	19,341
Miscellaneous expenses	154,990	143,492
Membership & Subscription	-	788
Office expenses	143,336	139,466
Processing Charges	-	60,000
Postage & Telegram	204,582	138,885
Printing & Stationery	179,012	160,126
Professional Fees	67,650	-
Profession Tax	2,500	2,500
Registrar fees	41,140	44,401
Repairs & Maintenance	124,909	104,069
Rent, Rates & Taxes	21,950	31,290
Telephone, Telex & Courier	166,556	144,085
Travelling Expenses	95,175	55,324
Sundry Balance w/off	-	17,418
Bank Charges	3,677	14,104
TOTAL	2,307,371	2,007,309

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

PARTICULARS	30-06-2012 (Rs.)	30-06-2011 (Rs.)
NOTE 20 : EXCEPTIONAL ITEMS		
Sale of Investment (Refer Note No.26)	3,150,000	-
	<u>3,150,000</u>	<u>-</u>

NOTE 21 :-

There are no dues to parties registered under Micro, Small and Medium Enterprises Development Act 2006 as on 30.06.2012.

NOTE 22 :-

Company has not recognised Deferred Tax in the books because of future uncertainty in setting off the losses

NOTE 23 :-

Contingent Liabilities is Rs. Nil (P.Y. Rs. Nil)

NOTE 24 :-

The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 30th June 2012 have been called for and are subject to confirmation & reconciliation as the necessary communication in this respect is not received from them. The management has scrutinized the accounts and the balances appearing in the Balance Sheet are correct.

NOTE 25 :-

Segment Reporting: In the opinion of the management the company is mainly engaged in the sale of Film, TV serial, Film. All other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

NOTE 26 :RELATED PARTY DISCLOSURE

Name	Relationship	Nature of transaction	Amount
Goldmines Telefilms Pvt. Ltd.	Enterprises over which key management personnel exercise significant influence	Commission received Sale of Films.	250,500 6,300,000
Rotocap Real Estate Advisors Private Limited		Sale of Shares	3,450,000
Luminuous Trading Private Limited		Sale of Shares	16,800,000
Kartik Trading Private Limited		Sale of Shares	9,400,000
Mima Cinevision Private Limited		Sale of Shares	1,800,000
Mima Communication Private Limited		Sale of Shares	1,650,000
Indigo Real Estate Developers Private Limited		Sale of Shares	675,000
Revati Cinevision Private Limited		Sale of Shares	675,000

AS PER OUR REPORT OF EVEN DATE

For Sekhri Kanodia & Associates
Chartered Accountants

For and on Behalf of the Board of Directors

Sd/-

Ajay Sekhri
Partner

Membership No 032103

FIRM NO. 109389W

Place : Mumbai

Date : 12th November, 2012

Sd/-

Rushi Upadhyaya
Company Secretary

Sd/-

Manish Shah
Managing Director

Place : Mumbai

Date : 12th November, 2012

Sd/-

Ulka Shah
Director

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 Seventeenth Annual General Meeting of the Company to be held on Thursday, 20th December 2012 at 11.00 a.m. at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062 and at any adjournment (s) thereof.

Signed this day of 2012 Signature



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

Seventeenth Annual General Meeting - 20th December, 2012

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 Seventeenth Annual General Meeting of the Company held on Thursday, 20th December 2012 at 11.00 a.m. 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.

If undelivered please return to :

Universal Arts Limited

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