

**18th Annual Report
2012-2013**

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 Eighteenth Annual General Meeting of Universal Arts Limited will be held on Monday, 23rd day of December, 2013 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, 2013 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 Mr. Sandeep Poddar, who retires by rotation and, being eligible, offers himself 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: 15th November, 2013

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 Monday, 16th December, 2013 to Monday, 23rd December 2013 (both days inclusive).
3. Members are requested to notify the change in their address to the Company and always quote their Folio Numbers or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, members are requested to notify any change of address to their respective Depository Participants.
4. 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.
5. 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 Eighteenth Annual Report together with the Audited Accounts of the Company for the year ended on 30th June, 2013.

Financial Results

(Amount in ₹)

	For year ended on 30th June, 2013	For year ended on 30th June, 2012
Gross Income (Including Exceptional and Extraordinary Items)	69,21,976	1,19,56,524
Expenditure	80,64,857	94,71,856
Profit/(Loss) before Taxation & Depreciation	(9,49,077)	22,90,864
Depreciation	1,93,804	1,93,804
Profit / (Loss) before tax	(11,42,881)	24,84,668
Provision for Taxation & Fringe Benefit Tax	2,83,904	2,27,028
Profit / (Loss) after tax	(14,26,785)	22,57,640
Profit / (Loss) brought forward from last year	(1,59,31,125)	(1,81,88,765)
Profit / (Loss) carried forward to Balance Sheet	(1,73,57,910)	(1,59,31,125)

Again due to existence of Big Corporate in the market, the Gross Income during the year under review was ₹ 69.22 lacs as against ₹ 119.56 lacs during the previous year. Your Company posted a Loss before tax of ₹ 11.42 Lacs against a profit of ₹ 24.84 Lacs.

(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

Mr. Sandeep Poddar 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;
- (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 2013 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.

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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.

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
Sd/-

(Manish Shah)

Chairman cum Managing Director

Place: Mumbai

Date: 28th August, 2013

Management Discussion and Analysis Report

INTRODUCTION

The Indian economy continues to perform strongly and one of the key sectors that benefits from this fast economic growth is the E&M industry. This is because the E&M industry is a cyclical industry that grows faster when the economy is expanding. It also grows faster than the nominal GDP during all phases of economic activity due to its income elasticity wherein when incomes rise, more resources get spent on leisure and entertainment and less on necessities. Further, consumption spending itself is increasing due to rising disposable incomes on account of sustained growth in income levels, and this also builds the case for a strong bullish growth in the sector.

The size of E&M in India is currently estimated at INR 353 billion and is expected to grow at a compounded Annual Growth rate of 19 percent over the next five years. The television industry continues to dominate the E&M industry by garnering a share of over 42 percent, which is expected to increase by a further 9 percent to reach about 51 percent. The share of the film industry, which currently stands at 19 percent, is not expected to change materially over the next five years. Print media, which stands at over 31 percent, is projected to lose some of its share in favour of the emerging segments.

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, Mobile Rights, Video on Demand 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.

Your company expects the cost of various rights of films to settle down to a reasonable level in coming year. This coupled with the expected growth of television industry will provide an opportunity to the company to once again establish itself as a leading player in the business of trading in IPR of films.

Indians love to watch movies and advancements in technology are helping the Indian film industry in all the spheres - film production, film exhibition and marketing. The industry is increasingly getting more corporatised. More theatres across the country are getting upgraded to multiplexes and initiatives to set up more digital cinema halls in the country are already underway. This will not only improve the quality of prints and thereby make film viewing a more pleasurable experience, but also reduce piracy of prints.

Threats and Challenges:

Major threat to the company remains the high cost of acquiring rights of films both in respect of television rights and theatrical distribution rights. The problem of piracy assumes a different proportion in a country such as India with an area of 3.3 million sq. km. and a population of over 1 billion speaking 22 different languages. It impacts all segments of the industry especially

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films, music and television. Most of the credible efforts today to combat piracy have been initiated by industry bodies themselves. On part of the government, lack of empowered officers for enforcement of anti-piracy laws remains the key issue that is encouraging the menace of piracy. This, coupled with the lengthy legal and arbitration process, is being viewed as a deterrent to the crusade against pirates. The current Copyrights Act too is dated in terms of technology improvements, and above all, it does not address the needs of the electronic media which has maximum instances of piracy today. The draft of the Optical Disc Law to address the need for regulating piracy at the manufacturing stage is still lying with the ministry for approval.

At present, the government has appointed an independent regulator - TRAI - for only television and radio. Here too, the role of the regulator has been restricted to providing recommendations on segment issues to the government, as a result the government has still not acted upon several recommendations by the regulator. Some of the key recommendations include 'issues relating to broadcasting and distribution of TV channels' of which 'addressability in distribution' forms a significant part impacting the largest segment of television. Other pending recommendations include 'digitalisation of cable TV', 'Privatisation of terrestrial broadcasting'.

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.

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.

The Constraint in the cycle of the business is, Company has acquired rights of the movies which are 2-3 decades old and for acquiring new movies, the cost has soar so rapidly that, it is becoming very difficult for the Company to maintain stiff competition among the Market Maker of these Industries.

The Progress of the Company had slow down as compared to last year, but still Company is taking adequate steps in making the optimum utilization of the available resources for maintaining the trust of Shareholders.

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.

Human Resources

The Company has maintained peaceful and cordial relationship with the employees.

Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, estimates and expectations are "forward looking" statements. These statements are based on certain assumptions and expectations of future events. The actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the Entertainment 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 2013 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 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.

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 BSE Limited and Hyderabad Stock Exchange Limited. The Company

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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 2012, 31st December 2012, 31st March 2013 and audited quarterly results for the quarter ended 30th June 2013 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 December, 2012 11.00 a.m.	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No
b) 20th March, 2012 11.00 a.m.	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai 400 062	No
c) 24th December, 2010 12 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 conditions of Corporate Governance by UNIVERSAL ARTS LIMITED for the year ended 30th June, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance 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 : 15th November, 2013

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, 2013

Place : Mumbai

Date : 15th November, 2013

For UNIVERSAL ARTS LIMITED
Manish Shah
MANAGING DIRECTOR

Shareholders Information

Date, time and venue of 18th AGM	Monday, 23rd December 2013 at 11.00 am at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062.
Date of Book Closure	16th December 2013 to 23rd December 2013 (both days inclusive)
Listing on Stock Exchanges	BSE 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, 2013:

Category	% of Shareholding	Nos. of shares held
Promoters	0.0214	100
Bodies Corporate	2.9966	537209
Public	96.6182	8304446
Non Resident Indians	0.321	321030
Clearing Members	0.0428	7115
Total	100	9169900

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

Distribution of Shareholding as on 30th June, 2013:

No. of Equity Share	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 - 5000	2677	57.30	7246330	7.90
5001 - 10000	918	19.65	8410680	9.17
10001 - 20000	467	10.00	7802500	8.51
20001 - 30000	180	3.85	4779370	5.21
30001 - 40000	89	1.90	3290020	3.59
40001 - 50000	98	2.10	4722000	5.15
50001 - 100000	131	2.80	9960730	10.86
100001 - and above	112	2.40	45487370	49.61
Total	4672	100.00	91699000	100.00

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

INDEPENDENT AUDITORS' REPORT

To
The Members,
UNIVERSAL ARTS LIMITED
(Formerly Known as Goldmines Media Limited)

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **UNIVERSAL ARTS LIMITED** (Formerly Known as Goldmines Media Limited) ("the Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a 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, 2013 and;
- (ii) In the case of the Statement of Profit and Loss account, of the Loss 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account 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 Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on June 30, 2013, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Sekhri Kanodia & Associates
Chartered Accountants
Sd/-

Ajay Sekhri-Partner
Membership No 032103
Firm No. 109389W

Date: 28.08.2013
Place: Mumbai

ANNEXURE TO THE 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.38.10 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. There is no formal internal audit system. However, according to the information and explanations provided to us, operating control systems are commensurate with the size of the Company and the 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, 2013 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 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 : 28.08.2013

Universal Arts limited

Balance Sheet as on 30th June, 2013

Particulars	Note No	As on 30-06-2013 (₹)	As on 30-06-2012 (₹)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	2	99,872,030	99,872,030
b. Reserves and Surplus	3	(13,032,190)	(11,605,405)
2. CURRENT LIABILITIES			
b. Trade Payables	4	728,000	1,313,250
c. Other Current Liabilities	5	343,131	322,071
TOTAL		87,910,971	89,901,946
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	6		
i. Tangible Assets		1,146,905	1,340,708
ii. Intangible Assets		13,470,000	13,470,000
b. Non Current investments	7	10,796,000	10,796,000
c. Long term loans and advances	8	1,949,572	1,630,319
2. CURRENT ASSETS			
a. Inventories	9	275,000	2,811,350
b. Trade receivables	10	47,104,698	5,394,376
c. Cash and cash equivalents	11	13,168,796	39,248,313
d. Short-term loans and advances	11		15,183,806
e. Other Current Assets	12		27,074
TOTAL		87,910,971	89,901,946

Summary of Significant Accounting policies

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

Place: Mumbai
Date: 28-08-2013

Sd/-

Manish Shah
Managing Director

Place: Mumbai
Date: 28-08-2013

Sd/-

Ulka Shah
Director

Statement of Profit and Loss account for the year ended 30th June, 2013

	Note No	As on 30-06-2013 (₹)	As on 30-06-2012 (₹)
I. Revenue from operations			
Sales		5,722,500	6,545,000
II. Other Income			
	13	1,199,476	5,411,524
III. Total Revenue (I+II)			
		<u>6,921,976</u>	<u>11,956,524</u>
Expenses:			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	14	2,811,350	5,815,070
Purchase of Stock-in-Trade		400,000	45,000
Employee Benefit expenses	15	1,998,057	1,333,711
Depreciation and amortization expense		193,804	193,804
Other expenses	16	2,661,646	2,084,271
IV. Total Expenses			
		<u>8,064,857</u>	<u>9,471,856</u>
V. Profit before tax (III-IV)			
		(1,142,881)	2,484,668
VI. Tax expense:			
Current tax		283,904	227,028
VII. Profit/(Loss) for the period (V-VI)			
		<u>(1,426,785)</u>	<u>2,257,640</u>
VIII. Earning per equity share:			
(1) Basic		NA	0.23
(2) Diluted		NA	0.23

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
FIRM NO. 109389W

Sd/-
Manish Shah
Managing Director

Sd/-
Ulka Shah
Director

Place: Mumbai
Date: 28-08-2013

Place: Mumbai
Date: 28-08-2013

Universal Arts limited

Cash flow statement for the year ended 30th June 2013 (₹ In '000)

Particulars	As at 30.06.2013	As at 30.06.2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	(1,143)	2,485
Adjustment for		
Gain on Sale of Investments	-	(3,150)
Depreciation	194	194
Preliminary and issue expenses written off	-	-
	(949)	(472)
Operating profit before working capital charges		
Adjustment for		
(Increase)/Decrease in current Assets		
Loans & Advances	2,042	(673)
Trade and other receivable	5,119	7,372
Inventories	2,811	5,815
Increase/(Decrease) in current liabilities		
Trade payables	(564)	(9,503)
	8,460	2,540
Net cash used in operating activities (A)	(603)	-
Less :- Taxes Paid		
	7,857	2,540
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	-	38,097
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)
	-	(2,260)
Net cash used in financing activities (C)	-	(2,260)
NET INFLOW (OUTFLOW) [A+B+C]	7,857	38,376
D NET INCREASES IN CASH & CASH EQUIVALENTS		
Cash & Cash equivalents opening balance	39,248	872
Cash & Cash equivalents closing balance	47,105	39,248
	7,857	38,376

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/-
Manish Shah
Managing Director

Sd/-
Ulka Shah
Director

Place: Mumbai
Date: 28-08-2013

Place: Mumbai
Date: 28-08-2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013**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 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) 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 and films 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.

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 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, if any.

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.

Universal Arts limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	30-06-2013 (₹)	30-06-2012 (₹)
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 ₹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 ₹10/- each	100,008,000	100,008,000
TOTAL	100,008,000	100,008,000
Paid Up Capital		
99,69,900 Equity Share of ₹.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	(15,931,125)	(18,188,765)
Add/(Less) : During the year	(1,426,785)	2,257,640
Closing Balance	(17,357,910)	(15,931,125)
TOTAL	(13,032,190)	(11,605,405)
NOTE 4: TRADE PAYABLE		
Sundry Creditors-Other than acceptance	728,000	1,313,250
TOTAL	728,000	1,313,250
NOTE 5 : OTHER CURRENT LIABILITIES		
Outstanding Expenses	343,131	322,071
TOTAL	343,131	322,071

NOTE6 : FIXED ASSETS

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 01/07/2012	Additional adjustment during the year	Deductions during the year	As on 30-06-2013	As on 01-07-2012	Provided during the year	Deductions during the year	As on 30-06-2013	Reversed during the year	Provided during the year	As on 30-06-2012	As on 30-06-2013		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (11)-(9)	(14)= (13)-(12)
1	Building	750,000	-	-	750,000	125,306	12,225	-	137,531	-	-	-	-	624,594	612,469
2	Plant and Machinery	2,057,400	-	-	2,057,400	1,625,553	145,458	-	1,771,011	-	-	-	-	431,847	286,389
3	Computers	574,717	-	-	574,717	574,717	-	-	574,717	-	-	-	-	-	-
4	Office Equipment	126,000	-	-	126,000	62,854	5,985	-	88,839	-	-	-	-	63,146	57,161
5	Furniture	476,072	-	-	476,072	255,050	30,135	-	285,185	-	-	-	-	221,022	190,886
	TOTAL	3,984,189	-	-	3,984,189	2,643,480	193,803	-	2,837,284	-	-	-	-	1,340,708	1,146,905

INTANGIBLE

Sr No.	Description	Gross Carrying Amount			Accumulated Amortisation			Accumulated Impairment			Net Carrying Amount				
		As on 01/07/2012	Additional adjustment during the year	Deductions during the year	As on 30-06-2013	As on 01-07-2012	Provided during the year	Deductions during the year	As on 30-06-2013	Reversed during the year	Provided during the year	As on 30-06-2012	As on 30-06-2013		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (11)-(9)	(14)= (13)-(12)
1	Patent & 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	14,945,230	-	-	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, 2013

PARTICULARS	30-06-2013 (₹)	30-06-2012 (₹)
NOTE 7 : NON CURRENT INVESTMENT		
Non Trade Investments		
i. Investments in equity Instruments		
Unquoted		
Bama Infotech Pvt. Ltd. of ₹ 10/- each qty 1000- Subsidiary	100,000	100,000
ii. Investments in debentures		
Bama Infotech Pvt. Ltd. of ₹ 1000/- each 10696 (10696)- Subsidiary	10,696,000	10,696,000
TOTAL	10,796,000	10,796,000
NOTE 8:- LONG TERM LOANS AND ADVANCES		
i. Security Deposits		
Reliance Energy Limited	51,450	51,450
i. Balances with Government authorities		
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.2010-2011	23,175	23,175
T.D.S. - A Y 2012-2013	1,593,807	1,593,807
T.D.S. - A Y 2013-2014	616,540	21,383
T.D.S. - A Y 2014-2015	8,000	-
Less:- Provision for Income Tax	(679,562)	(395,658)
TOTAL	1,949,572	1,630,319
Note 9 : TRADE RECEIVABLES		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	-	415,000
Other Trade receivable	275,000	4,979,376
Unsecured considered good	-	-
TOTAL	275,000	5,394,376
Note 10 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	47,042,274	38,003,829
B) Cash in hand	62,424	1,244,484
TOTAL	47,104,698	39,248,313
Note 11 : SHORT TERM LOANS AND ADVANCES		
a. Loans and advances due by private companies in which director is a director/member		
Unsecured considered good	3,810,000	4,714,500
Sub Total	3,810,000	4,714,500
b. Loans and Advances to others		
Unsecured considered good	58,796	1,069,306
Doubtful	8,886,266	8,886,266
Less:- Allowance for bad and doubtful advances	(8,886,266)	(8,886,266)
Sub Total	58,796	1,069,306
c. Advance for Films		
Advance for Films	9,300,000	9,400,000
Sub Total	9,300,000	9,400,000
TOTAL	13,168,796	15,183,806

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	30-06-2013 (₹)	30-06-2012 (₹)
Note 12 : OTHER CURRENT ASSETS		
Interest accrued	-	27,074
TOTAL	-	27,074
Note 13 : OTHER INCOME		
Commission received (refer note no. 26)	80,000	250,500
Sundry Balances written back	1,039,750	1,864,595
Interest Income	79,726	146,429
Sale of Investments	-	3,150,000
TOTAL	1,199,476	5,411,524
Note 14 : CHANGES IN INVENTORIES		
Closing Stock	-	2,811,350
Opening Stock	2,811,350	8,626,420
TOTAL	2,811,350	5,815,070
Note 15 : EMPLOYEE BENEFIT EXPENSES		
Salaries and wages, bonus, gratuity and allowances:		
Salary, Bonus & Exgratia	1,859,004	1,223,889
Staff Welfare Expenses		
Staff Welfare Expenses	139,053	109,822
TOTAL	1,998,057	1,333,711
Note 16 : OTHER EXPENSES		
Direct Expenses	171,675	141,150
Advertising Expenses	30,470	40,865
Audit Fees	31,461	28,782
AGM Expenses	22,868	17,602
Annual Charges	46,182	45,551
Books and Periodicals	50,833	32,884
Business Promotion expenses	320,513	143,407
Electricity charges	244,690	158,280
Conveyance Expenses	305,685	270,831
Listing fees	28,278	27,879
Miscellaneous expenses	156,054	149,661
Office expenses	162,988	143,336
Postage & Telegram	187,926	200,415
Printing & Stationery	215,813	174,964
Professional Fees	144,781	58,150
Profession Tax	2,500	2,500
Registrar fees	51,752	41,140
Repairs & Maintenance	145,188	124,909
Rent, Rates & Taxes	40,955	20,750
Telephone, Telex & Courier	175,518	162,363
Travelling Expenses	123,213	95,175
Bank Charges	2,303	3,677
TOTAL	2,661,646	2,084,271

Universal Arts limited

Note 17 :-

There are no dues to parties registered under Micro, Small and Medium Enterprises Development Act 2006 as on 30.06.2013

Note 18 :-

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

Note 19 :-

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

Note 20 :-

The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 30th June 2013 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 21 :-

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 22 :- Related Party Disclosure
Transaction with Related Parties**

Company In which director of the Company is Director	Nature of transaction	Amount
Goldmines Telefilms Pvt. Ltd.	Commission received	80,000
	Sale of Films.	4,450,000
	Purchase of Films.	50,000
Company In which director of the Company is Director	Nature of transaction	Amount as on 30/06/13
Kartik Trading Private Limited.	Advance for Film	800,000
Rotocap Real Estate Developers Private Limited.	Advance for Film	4,705,000
Luminous Trading Private Limited	Advance for Film	3,795,000
Midastouch Holdings Private Limited.	Loan Given	3,710,000
Bama Infotech Private Limited	Loan Given	100,000

As per our separate Audit Report of Even Date Attached

FOR SEKHRI KANODIA & ASSOCIATES
Chartered Accountants

Sd/-
Ajay Sekhri
Partner
Membership No. 032103
FIRM NO. 109389W

Place: Mumbai
Date: 28-08-2013

For and on Behalf of The Board of Directors

Sd/-
Manish Shah
Managing Director

Place: Mumbai
Date: 28-08-2013

Sd/-
Ulka Shah
Director

Statement pursuant to section 212 of the Companies Act, 1956, Relating to subsidiary companies as on 31/03/2013

	Name of the subsidiary Company	BAMA INFOTECH PRIVATE LIMITED.
1.	Financial year of the subsidiary ending on	31st March 2013
2.	Extent of Holding Company's interest	
a)	Number of Equity Shares	10000
b)	Percentage Holding	100%
3.	Net aggregate Profit (Losses) of the subsidiary so far as Concern the members of the holding Company	
I.	Dealt within the accounts of the Holding Company amounts to:	
a)	For the subsidiary's current financial year Profit/(Loss) for the year ended 31-03-2013	NIL
	Aggregate Profit/(Loss) for the year ended 31-03-2013	NIL
b)	For the subsidiary's previous financial year.	
	Profit/(Loss) for the year ended 31-03-2012	NIL
	Aggregate Profit/(Loss) for the year ended 31-03-2012	NIL
II.	Not Dealt within the accounts of the Holding Company Amounts to:	
a)	For the subsidiary's current financial year	(88,848)
b)	For the subsidiary's previous financial year	(4,39,847)

FOR UNIVERSAL ARTS LIMITED.

Sd/-

MANAGING DIRECTOR

Sd/-

DIRECTOR

DIRECTORS' REPORT

To,
The Members of
BAMA INFOTECH PRIVATE LIMITED

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2013 are as follows:-

Particulars	Amount in ₹	
	For the year ended 31.03.2013	For the year ended 31.03.2012
Total Income	35,000	Nil
Total Expenditure	1,23,848	439,847
PROFIT / (LOSS) BEFORE TAX	(88,848)	(439,847)
Less: Income Tax	Nil	Nil
PROFIT / (LOSS) AFTER TAX	(88,848)	(439,847)
Profit / (Loss) brought forward from last year	(8,543,875)	(8,104,028)
Profit / (Loss) Carried to Balance Sheet	(86,32,723)	(8,543,875)

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, 2013 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:

You are requested to re-appoint M/s. Sekhri Kanodia & Associates Chartered Accountants, Auditors for the current year to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

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 : 2nd September, 2013

Sd/-
DIRECTOR

Sd/-
DIRECTOR

INDEPENDENT AUDITORS' REPORT

To
The Members
Bama Infotech Private Limited.

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bama Infotech Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Sekhri Kanodia & Associates

Chartered Accountants
FRN: 109389W

Ajay Sekhri
Partner

Membership No. : 032103

Place : Mumbai
Date : 02-09-2013

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in Paragraph 1 of the Auditors' Report to the members Bama Infotech Private Limited on the accounts for the year ended on March 31, 2013 we report that:

- i) a) The Company does not have any fixed assets, hence the provisions of Paragraphs 4 (i)(a), (i) (b) and (i) (c) of the order are not applicable to the company.
- ii) 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.
- iii) According to information and explanations given to us, the Company has not granted loans, secured or unsecured, to/from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
According to the information and explanations given to us, the Company has taken loan by way of Fully Convertible Debentures issued to the Holding Company of ₹ 106, 96,000 and Unsecured Loan from Tabassum International limited the year end balance of which was ₹ 1,00,000/-
- iv) According to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business.
- v) a) On the basis of the audit procedures performed by us, and according to the information and explanations provided by the Management, we are of the opinion that the Company has not entered into any contracts or arrangements in which directors were interested, and which are required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
b) In view of our comments under Paragraph 4(v)(a), the provisions of Paragraph 4(v)(b) of the Order are not applicable to the Company.
- vi) According to the information & explanations provided to us, the company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
- vii) There is no formal internal audit system. However, according to the information and explanations provided to us, operating control systems are commensurate with the size of the Company and the nature of its business.
- viii) The Central Government of India has not prescribed maintenance of cost records under section 209(i) (d) of the Companies Act, 1956 for any of the products of the Company.
- ix) According to the information and explanation given to us in respect of statutory and other dues:
 - a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess, Service tax and any other statutory dues, wherever applicable, with the appropriate authorities during the year.
 - b) No undisputed amount payable in respect of Income tax, Wealth tax, Sales tax, Customs duty, Excise duty and Service tax were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable. We have been informed that the provisions of the Investor Education and Protection Fund, Employees State Insurance Act, Sales Tax, Custom Duty and Excise Duty are not applicable to the Company for the year.
 - c) There are no dues of Income Tax, Wealth Tax, Service Tax and Cess which have not been deposited on account of any dispute. We have been informed that the provisions of Sales Tax, Custom and Excise Duty are not applicable to the Company for the year.
- x) The Company has accumulated losses exceeding more than 50% of its net worth as on 31/03/2013 Further Company has also incurred cash loss during the financial yearend March 31, 2013 and in the immediately preceding financial year.
- xi) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed of any loans from financial institutions or banks.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- xiii) The Company is not Chit Fund or a Nidhi, Mutual Benefit Fund/Society. Accordingly, reporting on Para 4(xiii) of the Order is not applicable to the Company.
- xiv) In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) The Company has not availed any term loans during the year and therefore reporting on Para 4(xvi) of the Order is not applicable.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and other records of the Company, we report that no funds raised on short-term basis have been used for long-term purposes and vice versa.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issues during the year. Consequently, provisions of paragraph 4(xx) of the Order are not applicable.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Sekhri Kanodia & Associates
Chartered Accountants
FRN: 109389W

Ajay Sekhri
Partner

Membership No. : 032103

Place : Mumbai
Date : 02-09-2013

Balance Sheet as at 31st March, 2013

	Note No.	As on 31-03-2013 (₹)	As on 31-03-2012 (₹)
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	100,000	100,000
Reserves and Surplus	3	(8,632,723)	(8,543,875)
		(8,532,723)	(8,443,875)
NON CURRENT LIABILITIES			
Long-term borrowings	4	10,796,000	10,696,000
		10,796,000	10,696,000
CURRENT LIABILITIES			
Trade payables	5	315,000	354,500
Other Current Liabilities	6	15,711	7,275
		330,711	361,775
TOTAL		2,593,988	2,613,900
II. ASSETS			
NON-CURRENT ASSETS			
Non- Current investments	7	1,383,521	1,383,521
Long term loans and advances	8	-	3,417
		1,383,521	1,386,938
CURRENT ASSETS			
Inventories		35,000	35,000
Trade receivables	9	1,007,991	1,157,991
Cash and cash equivalents	10	97,475	33,971
		1,210,466	1,226,962
TOTAL		2,593,988	2,613,900
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
Note :- The notes referred to above are an integral part of the Financial Statements 1			

As per our separate Audit Report of Even Date Attached
For **SEKHRI KANODIA & ASSOCIATES**
Chartered Accountants

Sd/-
Ajay Sekhri
Partner
MEMBERSHIP NO. : 032103
PLACE : MUMBAI
DATE : 02-09-2013

FOR BAMA INFOTECH PRIVATE LIMITED

Sd/-
Director

PLACE : MUMBAI
DATE : 02-09-2013

Note 1 :- Notes forming part of the Financial Statements for the year ended 31/03/2013

Corporate Information

Bama Infotech Private Limited incorporated on 05/01/2000 under the Companies Act 1956 and is a 100% subsidiary of Universal Arts Limited. 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.

Significant Accounting policies

Basis of Accounting

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.

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

Investments.

Investments have been valued at Cost and are physically verified by the management.

Investments have been valued at cost and provision has not been made in the books for the depreciation in value of investments.

Revenue Recognition

"In the case of movies telecasted on Doordarshan, the revenue is recognized in the year in which Doordarshan sanctions the payment." "Other streams of income" In all other cases, revenue is recognized when the Company has the undisputable right to receive the income."

Bama Infotech Private Limited

Statement of Profit and loss account for the year ended 31st March, 2013

	Note No.	As on 31-03-2013 (₹)	As on 31-03-2012 (₹)
REVENUE FROM OPERATION		35,000	
Other Income		35,000	
TOTAL REVENUE			
EXPENSES	11	74,856	74,227
Employee Benefit expenses	12	48,992	365,620
Other expenses		123,848	439,847
TOTAL EXPENSES		(88,848)	(439,847)
PROFIT BEFORE TAX AND EXCEPTIONAL AND EXTRAORDINARY ITEMS			
Exceptional Items		(88,848)	(439,847)
PROFIT BEFORE TAX AND EXTRAORINDARY ITEMS			
Extraordinary Items		(88,848)	(439,847)
PROFIT BEFORE TAX			
Tax expense:			
(1) Current tax			
(2) Deferred tax		(88,848)	(439,847)
PROFIT AFTER TAX			
EARNING PER EQUITY SHARE		N.A.	N.A.
(1) Basic		N.A.	N.A.
(2) Diluted			

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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 **SEKHRI KANODIA & ASSOCIATES**
Chartered Accountants

Sd/-
Ajay Sekhri

Partner

MEMBERSHIP NO. : 032103

PLACE : MUMBAI

DATE : 02-09-2013

FOR BAMA INFOTECH PRIVATE LIMITED

Sd/-
Director

Sd/-
Director

PLACE : MUMBAI
DATE : 02-09-2013

Notes forming part of the Financial Statements for the year ended 31/03/2013

Particulars	As at 31-03-2013 (₹)	As at 31-03-2012 (₹)
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 ₹ 10/- each	100,000	100,000
TOTAL	100,000	100,000
Issued, subscribed and Paid up Share Capital 10,000 Equity Shares of ₹ 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 31/03/2013

Particulars	As at 31-03-2013 (₹)	As at 31-03-2012 (₹)
NOTE 3: RESERVES & SURPLUS		
Profit & Loss Account		
Balance as per previous Balance sheet		(8,104,028)
Add/(Less) : During the year	(8,543,875)	(439,847)
	(88,848)	
Closing Balance	(8,632,723)	(8,543,875)
TOTAL	(8,632,723)	(8,543,875)
NOTE 4 : LONG TERM BORROWINGS		
Bonds and Debentures		
10696 Zero % Fully Convertible Debenture of ₹1000 Each	10,696,000	10,696,000
Term Loans From Others		
Unsecured	100,000	
TOTAL	10,796,000	10,696,000
NOTE 5 : TRADE PAYABLE		
Sundry Creditors	315,000	354,500
TOTAL	315,000	354,500
NOTE 6 : OTHER CURRENT LIABILITIES		
Audit Fees payable	15,711	7,275
TOTAL	15,711	7,275
NOTE 7 : NON-CURRENT INVESTMENT		
Long Term Investment		
Trade		
Equity Shares (Quoted and fully paid-up)	1,383,521	1,383,521
(Market Values as on 31.03.2013 - ₹ 8,14,949/- Previous Year ₹ 8,17,593/-)		
TOTAL	1,383,521	1,383,521
NOTE 8 : LONG TERM LOANS AND ADVANCES		
Balances with Revenue Department		
TDS AY 2003-04	-	3,417
TOTAL	-	3,417
NOTE 9 : TRADE RECEIVABLES		
A) Trade Receivables outstanding for more than six months from the date they became due for payment :	1,077,991	1,157,991
TOTAL	1,077,991	1,157,991
NOTE 10 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	25,497	26,763
B) Cash in hand		
	71,978	7,208
TOTAL	97,475	33,971

Bama Infotech Private Limited

Notes forming part of the Financial Statements for the year ended 31/03/2013

Particulars	As at 31-03-2013 (₹)	As at 31-03-2012 (₹)
NOTE 11 : EMPLOYEE BENEFIT EXPENSES		
<u>Salaries and wages, bonus, gratuity and allowances:</u>		
Salary, Bonus & Exgratia	70,000	70,000
Staff Welfare Expenses	4,856	4,227
TOTAL	74,856	74,227
NOTE 12 : OTHER EXPENSES		
Bank Charges	1,124	1,048
Rates and Taxes other than taxes on income	400	1,200
<u>Payment to statutory auditors</u>		
As Audit Fees	11,236	5,000
Conveyance	5,655	4,957
Books and periodicals	5,715	5,058
Demat Charges	843	827
Loss on Sale of Investment		320,000
Miscellaneous Expenses	6,019	5,278
Professional Fees		9,500
Postage and telegram	4,887	4,320
Printing and stationary	4,701	4,087
Telephone, telex and fax charges	4,996	4,345
Balance written off	3,416	
TOTAL	48,992	365,620

Note 13 : REGULATION OF MSME ACT, 2006

There are no dues to parties registered under micro, Small and Medium Enterprises Development Act, 2006

Note 14 : RELATED PARTY DISCLOSURE

a. List of Related Parties

Universal Arts Limited- Holding Company

Luminuous Trading Private Limited - Company where director of the Company has interest

b. Transaction with Related party

There were no transaction with related party during the year under consideration.

Note 15 : TAXATION

Due to Loss incurred during the year there will not be any assessable income for the period and hence provision for taxation is not provided for

Note 16 : MISCELLANEOUS

1. Previous year's figures have been regrouped, recast and rearranged wherever necessary.
2. There were no earnings in foreign currency or expenditure in foreign currency in respect of acquisition of Fixed Assets, stores or raw material.

For SEKHRI KANODIA & ASSOCIATES

Chartered Accountants

Sd/-

Ajay Sekhri

Partner

MEMBERSHIP NO. : 032103

PLACE : MUMBAI

DATE : 02-09-2013

FOR BAMA INFOTECH PRIVATE LIMITED

Sd/-

Director

Sd/-

Director

PLACE : MUMBAI

DATE : 02-09-2013

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Universal Arts Limited
(Formerly known as Goldmine Media Limited).

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **UNIVERSAL ARTS LIMITED** (Formerly known as Goldmines Media Limited) ("the Company") and its subsidiary **BAMA INFOTECH PRIVATE LIMITED** ("Subsidiary Company"), which comprise the consolidated balance sheet as at June 30, 2013, and the consolidated statement of Profit and Loss for the year ended on that annexed thereto and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the consolidated Balance Sheet, of the state of affairs of the Company and its Subsidiary Company as at June 30, 2013;
2. in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date

For Sekhri Kanodia & Associates
Chartered Accountants
FRN: 109389W

Sd/-
Ajay Sekhri
Partner
Membership No. : 032103

Place: Mumbai
Date: 28.08.2013

Universal Arts limited

Consolidated Balance Sheet as on 30th June, 2013

	Note No.	As on 30-06-2013 (₹)	As on 30-06-2012 (₹)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUND			
a. Share Capital	2	99,872,030	99,872,030
b. Reserves and Surplus	3	(21,689,441)	(20,173,624)
2. CURRENT LIABILITIES			
a. Trade Payables	4	1,043,000	1,663,250
c. Other Current Liabilities	5	360,092	330,596
TOTAL		79,585,681	81,692,252
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	6		
i. Tangible Assets		1,146,905	1,340,709
ii. Intangible Assets		13,470,000	13,470,000
b. Non Current Investments	7	1,383,521	1,383,521
c. Long term loans and advances	8	1,949,572	1,633,736
2. CURRENT ASSETS			
a. Inventories		35,000	2,846,350
b. Trade receivables	9	1,345,241	6,464,616
c. Cash and cash equivalents	10	47,186,647	39,274,689
d. Short-term loans and advances	11	13,068,796	15,251,556
e. Other Current Assets	12	-	27,074
TOTAL		79,585,681	81,692,252

Summary of Significant Accounting policies

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
Place: Mumbai
Date: 28-08-2013

Sd/-
Manish Shah
Managing Director

Sd/-
Ulka Shah
Director

Place: Mumbai
Date: 28-08-2013

Consolidated Statement of Profit and Loss account for the year ended 30th June, 2013

	Note No.	As on 30-06-2013 (₹)	As on 30-06-2012 (₹)
I. Revenue from operations			
Sales		5,722,500	6,545,000
II. Other Income	13	1,234,476	5,411,524
III. Total Revenue (I + II)		6,956,976	11,956,568
Expenses:			
Purchase of Stock-in-Trade		400,000	45,000
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	14	2,811,350	5,815,070
Employee Benefit expenses	15	2,072,989	1,407,987
Depreciation and amortization expense		193,804	193,804
Other expenses	16	2,710,746	2,448,521
IV. Total expenses		8,188,889	9,910,382
PROFIT BEFORE TAX		(1,231,913)	2,046,142
Tax expense:			
(1) Current tax		283,904	227,028
(2) Deferred tax		-	-
		283,904	227,028
PROFIT AFTER TAX		(1,515,817)	1,819,114
EARNING PER EQUITY SHARE			
(1) Basic		N.A.	0.18
(2) Diluted		N.A.	0.18

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/-

Manish Shah

Managing Director

Sd/-

Ulka Shah

Director

Place: Mumbai

Date: 28-08-2013

Place: Mumbai

Date: 28-08-2013

Notes forming part of the Financial Statements for the year ended 30/06/2013

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

- 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.
- Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- 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

- Fixed assets stated at cost less accumulated depreciation.
- Portal & content rights has been capitalized and has been amortized over the estimated economical life of the content.
- Depreciation on fixed assets provided on straight-line method at the rates prescribed by Schedule XIV of the Companies Act, 1956.
- 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 (Tapes 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. 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.

10. 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.

Universal Arts limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	30-06-2013 (₹)	30-06-2012 (₹)
NOTE 2 : SHARE CAPITAL		
Authorised, Issued, Subscribed and paid up Share Capital and par value per share		
Authorised Share Capital		
1,10,00,000 Equity Share of ₹ 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 ₹10/- Each	100,008,000	100,008,000
TOTAL	100,008,000	100,008,000
Paid Up Capital		
99,69,900 Equity Share of ₹ 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
NOTE 3: RESERVES & SURPLUS		
Capital Reserve	4,325,720	4,325,720
Profit & Loss Account		
Balance as per previous Balance sheet	(24,499,344)	(26,318,458)
Add/(Less) : During the year	(1,515,817)	1,819,114
Closing Balance	(26,015,161)	(24,499,344)
TOTAL	(21,689,441)	(20,173,624)
NOTE 4 : TRADE PAYABLE		
Sundry Creditors	1,043,000	1,663,250
TOTAL	1,043,000	1,663,250
NOTE 5 : OTHER CURRENT LIABILITIES		
Outstanding Expenses	360,092	330,596
TOTAL	360,092	330,596
NOTE 7 : NON CURRENT INVESTMENT		
INVESTMENTS (Non-trade, Long term at cost)		
In Equity Shares (Quoted & fully paid up)	1,383,521	1,383,521
TOTAL	1,383,521	1,383,521

NOTE 6 : FIXED ASSETS

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

TANGIBLE ASSETS

Sr No.	Description	Gross Carrying Amount			Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount			
		As on 01/07/2012	Additional adjustment during the year	Deductions during the year	As on 30-06-2013	As on 01-07-2012	Provided during the year	Deductions during the year	As on 30-06-2013	Reversed during the year	Provided during the year	As on 30-06-2012	As on 30-06-2013	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (11)-(12)	(14)= (13)-(11)	
1	Building	750,000	-	-	750,000	125,306	12,225	-	137,531	-	-	-	624,694	612,489
2	Plant and Machinery	2,057,400	-	-	2,057,400	1,625,553	145,458	-	1,771,011	-	-	-	431,847	266,389
3	Computers	574,717	-	-	574,717	574,717	-	-	574,717	-	-	-	-	-
4	Office Equipment	126,000	-	-	126,000	62,854	5,985	-	68,839	-	-	-	63,146	57,161
5	Furniture	476,072	-	-	476,072	255,050	30,135	-	285,185	-	-	-	221,022	190,887
	TOTAL	3,984,189	-	-	3,984,189	2,643,480	193,803	-	2,837,284	-	-	-	1,340,709	1,146,905

INTANGIBLE ASSETS

Sr No.	Description	Gross Carrying Amount			Accumulated Amortisation			Accumulated Impairment			Net Carrying Amount			
		As on 01/07/2012	Additional adjustment during the year	Deductions during the year	As on 30-06-2013	As on 01-07-2012	Provided during the year	Deductions during the year	As on 30-06-2013	Reversed during the year	Provided during the year	As on 30-06-2012	As on 30-06-2013	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)= (11)-(12)	(14)= (13)-(11)	
1	Patent & Copyright Right	1,475,230	-	-	1,475,230	1,475,230	-	-	1,475,230	-	-	-	-	-
2	Intangible Asset & Development	13,470,000	-	-	13,470,000	-	-	-	-	-	-	-	-	-
	TOTAL	14,945,230	-	-	14,945,230	1,475,230	-	-	1,475,230	-	-	-	-	-

Universal Arts limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	30-06-2013 (₹)	30-06-2012 (₹)
NOTE 8:- LONG TERM LOANS AND ADVANCES		
i. Security Deposits		
Reliance Energy Limited	51,450	51,450
ii. Balances with Government Authorities		
T.D.S. - A.Y.2003-2004	-	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.2010-2011	23,175	23,175
T.D.S. - A.Y.2012-2013	1,593,807	1,593,807
T.D.S. - A.Y.2013-2014	616,540	21,383
T D S A Y 2014-2015	8,000	
Less:- Provision for Taxes	(679,562)	(395,658)
TOTAL	1,949,572	1,633,736
NOTE 9 : TRADE RECEIVABLES		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	1,070,241	1,485,241
Other Trade receivable		
Unsecured considered good	275,000	4,979,375
TOTAL	1,345,241	6,464,616
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	-	-
Other Trade receivable		
Unsecured considered good	-	3,104,375
NOTE 10 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	47,067,771	38,026,092
B) Cash in hand	118,876	1,248,597
TOTAL	47,186,647	39,274,689
NOTE 11 : SHORT TERM LOANS AND ADVANCES		
a. Loans and advances due by private companies in which director is a director/member		
Unsecured Considered Good	3,710,000	4,782,250
Sub Total	3,710,000	4,782,250
b. Loans and Advances to others		
Unsecured Considered Good	58,796	1,069,306
Doubtful	8,886,266	8,886,226
Less: Allowances for a bad and doubtful advances	(8,886,266)	(8,886,226)
Sub Total	58,796	1,069,306
c. Advance for Films		
Advance for Films	9,300,000	9,400,000
Sub Total	9,300,000	9,400,000
TOTAL	13,068,796	15,251,556

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	30-06-2013	30-06-2012
	(₹)	(₹)
NOTE 12 : OTHER CURRENT ASSETS		
Interest Accrued	-	27,074
TOTAL	-	27,074
NOTE 13 : OTHER INCOME		
Commission received (refer note no. 26)	80,000	250,500
Sundry Balances written back	1,074,750	1,864,595
Interest Income	79,726	146,429
Sale of Investments	-	3,150,000
TOTAL	1,234,476	5,411,524
NOTE 14 : CHANGE IN INVENTORIES		
Closing Stock	-	2,846,350
Opening Stock	2,811,350	8,661,420
TOTAL	2,811,350	5,815,070
NOTE 15 : EMPLOYEE BENEFIT EXPENSES		
<u>Salaries and wages, bonus, gratuity and allowances:</u>		
Salary, Bonus & Exgratia	1,929,004	1,293,889
<u>Staff Welfare Expenses</u>		
Staff Welfare Expenses	143,985	114,098
TOTAL	2,072,989	1,407,987
NOTE 16 : OTHER EXPENSES		
Direct Expenses	171,675	141,150
Advertising Expenses	30,470	40,865
Audit Fees	42,697	33,782
AGM Expenses	22,868	17,602
Annual Charges	46,182	45,551
Books and Periodicals	56,639	37,950
Business Promotion expenses	320,513	143,407
Electricity charges	244,690	158,280
Conveyance Expenses	311,292	275,751
Demat Charges	843	827
Loss on Sale of Investment	-	320,000
Listing fees	28,278	27,879
Miscellaneous expenses	161,814	154,990
Office expenses	162,988	143,336
Postage & Telegram	192,927	204,582
Printing & Stationery	220,532	179,012
Professional Fees	144,781	67,650
Profession Tax	2,500	2,500
Registrar fees	51,752	41,140
Repairs & Maintenance	145,188	124,909
Rent, Rates & Taxes	41,355	21,950
Telephone, Telex & Courier	180,705	166,556
Travelling Expenses	123,213	95,175
Sundry Balance w/off	3,417	-
Bank Charges	3,427	3,677
TOTAL	2,710,746	2,448,521

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

Note 17 :-

There are no dues to parties registered under Micro, Small and Medium Enterprises Development Act 2006 as on 30.06.2013

Note 18 :-

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

Note 19 :-

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

Note 20 :-

The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 30th June 2013 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 21 :-

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 22 :- Related Party Disclosure

Company in which director of the Company is Director	Nature of transaction	Amount
Goldmines Telefilms Pvt. Ltd.	Commission received	80,000
	Sale of Films.	4,450,000
	Purchase of Films.	50,000
Company in which director of the Company is Director	Nature of transaction	Amount as on 30/06/13
Karik Trading Private Limited.	Advance for Films	800,000
Rotocap Real Estate Developers Private Limited.	Advance for Films	4,705,000
Luminous Trading Private Limited	Advance for Films	3,795,000
Midastouch Holdings Private Limited.	Loan Given	3,710,000

As per our separate Audit Report of Even Date Attached

FOR SEKHRI KANODIA & ASSOCIATES
Chartered Accountants

Sd/-

Ajay Sekhri
Partner

Membership No. 032103

FIRM NO. 109389W

Place: Mumbai
Date: 28-08-2013

For and on Behalf of The Board of Directors

Sd/-

Manish Shah
Managing Director

Place: Mumbai
Date: 28-08-2013

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 Eighteenth Annual General Meeting of the Company to be held on Monday, 23rd December 2013 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 2013 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

Eighteenth Annual General Meeting - 23rd December, 2013

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 Sixteenth Annual General Meeting of the Company held on Monday, 23rd December, 2013 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.

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.