

21st Annual Report
2015-2016

Universal Arts Limited

BOARD OF DIRECTORS:

a)	Managing Director	:	Mr. Manish G. Shah (DIN: 00434171)
b)	Director	:	Mr. Satish Mohiniraj Shidhaye (DIN: 01681522)
c)	Director	:	Mr. Sandeep Poddar (DIN: 01587867)
d)	Woman Director	:	Mrs. Ulka M. Shah (DIN: 00434277)

AUDITORS

: M/s Sekhri Kanodia & Associates
Chartered Accountants
Mumbai

SECRETARIAL AUDITOR

: VISHAL N. MANSETA
Practicing Company Secretary
Mumbai

REGISTERED OFFICE

: Plot No. 45, First Floor,
GanapatiBhavan, M. G. Road.,
Goregaon (West),
Mumbai 400 062.
CIN – L22300MH1995PLC091082
Email: universalartslimited@hotmail.com
Website: www.universalarts.in

REGISTRAR & TRANSFER AGENT

: BIGSHARE Services Private Limited
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072
Tele : 022-28470652/40430200
Email : info@bigshareonline.com

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Universal Arts limited

NOTICE

Notice is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING OF UNIVERSAL ARTS LIMITED** will be held at **Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (W), Mumbai - 400062** on **Friday, the 30th day of September, 2016** at **12 Noon** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on a Standalone and Consolidated basis for the period ended on 31st March, 2016 including the Balance Sheet as at that date, Statement of Profit & Loss account for the period ended on that date and in the reports of the Auditors and Directors thereon;
2. To appoint a Director in place of Mr. Sandeep Poddar (DIN: 01587867) who retires by rotation at this meeting offers himself and being eligible for re-appointment;

SPECIAL BUSINESS:

3. To appoint M/s. Ajay Sekhri & Company (Firm Regn. No. 140181W) as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held for the year ended March 31, 2021, subject to ratification in every Annual General Meeting held during such period and to pass the following resolution as Special Resolution with or without modification.

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Ajay Sekhri and Co., Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company for a period of 5 years.

RESOLVED FURTHER THAT M/s. Ajay Sekhri and Co., Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held for the year ended March 31, 2021 on such remuneration as may be fixed by the Board of Directors in consultation with them."

By Order of the Board of Directors

Manish G. Shah
Managing Director
DIN: 00434171

Place: Mumbai

Date: 8th August, 2016

Registered Office:

**Plot No. 45, First Floor, GanapatiBhavan,
M. G. Road, Goregaon West, Mumbai 400 062**

CIN: L22300MH1995PLC091082

E-MAIL ID: universalartslimited@hotmail.com

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in. Attendance slip is separately sent to Shareholders along with this Annual Report.

3. Shareholders are requested to bring their copy of Annual Report at the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
5. In case of joint holders attending the Annual General Meeting, member present or in case both members are present the person whose name is appearing as first holder will be entitled to vote.
6. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR"), the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive).
7. While members holding shares in physical form may write to the Registrar and Transfer Agents, (M/s BigShare Services Private Limited) for any changes in their addresses and bank mandates, members holding shares in electronic form may inform the same to their Depository Participants.
8. Members who hold their shares in dematerialized form are requested to write their client ID and DP ID number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
11. Electronic Copy of this Annual Report along with the attendance slip carrying e-voting procedure & instructions is sent to the members whose e-mail ids are registered with the RTA of the Company. In case of members who have not registered email ids, the Company has sent physical copy of this Annual Report, along with the attendance slip carrying e-voting procedure & instructions. However, the member who has not received the electronic copy or the physical copy may write to the Company, and the Annual Report will be sent to them. Kindly also note that the Copy of this Annual Report is also available on the website of the Company. The Attendance slip carrying e-voting procedure & instructions is separately attached with this Annual Report.
12. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. In this regard, the shareholders may also send requests to the Company's designated email id:universalartslimited@hotmail.com
13. The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the vote cast through ballot paper at the meeting will not be recognized. However, members who have cast their votes through e-voting prior to the meeting may also attend the meeting.
14. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. 23rd September 2016.

By Order of the Board of Directors

Manish G. Shah

Managing Director

DIN: 00434171

Place : **Mumbai**

Date : **8th August, 2016**

Registered Office:

Plot No. 45, First Floor, GanapatiBhavan,
M. G. Road, Goregaon West, Mumbai 400 062

CIN: L22300MH1995PLC091082

E-MAIL ID: universalartslimited@hotmail.com

In order to improve the corporate contribution to the environment, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by Companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively. Accordingly, your Company proposes to henceforth effect electronic delivery of communication /documents including the Annual Reports and such other necessary communication / documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP)/ Company as the case may be. Members who wish to inform any changes of their e-mail addresses, are requested to promptly update / change the same with their DP, from time to time. Members holding shares in physical form and who are desirous of receiving the communication /documents in electronic form, are requested to please promptly inform their e-mail address to the Company.

Details of Director Seeking Re-appointment at this Annual General Meeting

- a) Name of Director : Sandeep Poddar
b) Director Identification No. : 01587867
c) Date of Appointment : 31/07/2007
d) Qualification : Cost Accountant
e) Directorship Held in other Companies : NIL
f) Membership / Chairmanship of Audit and Stakeholders' Relationship Committee Across Public Companies : NIL
g) No. of Shares Held : NIL

Explanatory Statement under Section 102(1) of the Companies Act, 2013

M/s. Sekhri Kanodia & Associates, Chartered Accountants, Mumbai have tendered their resignation from the position of Statutory Auditors due to Pre-Occupancy,

Board proposes that M/s. Ajay Sekhri and Co., Chartered Accountants, Mumbai, be appointed as the Statutory Auditors of the Company to fill the vacancy caused by the resignation of M/s. Sekhri Kanodia & Associates, Chartered Accountants.

M/s. Ajay Sekhri and Co., Chartered Accountants, Mumbai, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Manish G. Shah

Managing Director

DIN: 00434171

Place : **Mumbai**

Date : **8th August, 2016**

DIRECTORS' REPORT

To,

The Members

UNIVERSAL ARTS LIMITED

Your Directors are pleased to present the Twenty first Annual Report together with the audited financial statements for the year ended on 31st March, 2016.

Financial Results:	Year Ended 31.03.2016	Rs. In Lacs Year Ended 31.03.2015
Total Income	87.29	341.33
Total Expenditure	147.241	331.21
Profit / (Loss) before Interest, Depreciation, Amortization, Exceptional item	(59.951)	10.12
Less : Interest	Nil	Nil
Depreciation	1.39	1.58
Profit / (Loss) before Exceptional item & tax	(58.561)	8.54
Add : Exceptional items	Nil	Nil
Profit / (Loss) Before Tax	(58.561)	8.54
Less: Provisions for Taxation	Nil	Nil
Profit / (Loss) After Tax	(58.561)	8.54

OPERATION REVIEW:

Your Company showed a steep decrease in the Income. Your Company posted Income of Rs 87.29 lacs as against Rs 341.33 lacs during the previous year. Company's income was decreased, subsequently your Company posted a Loss before tax of Rs 58.561 lacs against profit of Rs 8.54 lacs during the previous year.

RESERVE:

In view of the accumulated losses, the Board of Directors of your Company do not propose to carry any amount to reserve.

DIVIDEND:

In view of the accumulated losses, the Board of Directors of your Company regret their inability to recommend any dividend for the year ended on 31st March, 2016

OUTLOOK:

With the entry of Big Corporate like UTV, Eros, Dharma Productions, Fox Star Studios, Sony Pictures, Reliance Big Entertainment, Viacom18 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.

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E sector is on the cusp of a strong phase of growth, backed by rising consumer payments and advertising revenues across all sectors. The industry has been largely driven by increasing digitization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people. In view of all above it appear the right opportunity is yet to come for growth of small capital based company and at the same time 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.

SUBSIDIARY AND ASSOCIATE COMPANIES:

A statement pursuant to Section 129 of the Companies Act, 2013 relating to Company's subsidiary is attached to the balance sheet.

FIXED DEPOSITS:

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 73 to 76 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under apply.

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DIRECTORS:

At the forthcoming Annual General Meeting, Mr. Sandeep Poddar (DIN: 01587867) will retire by rotation and being eligible offer himself for re-appointment. A brief resume / particulars relating to him is given separately in the notice of Annual General Meeting .

KEY MANAGERIAL PERSONNEL:

Mr. Manish G. Shah, Managing Director and Mrs. Ulka Shah, Non-Executive Director are the Key Managerial Personnel of the Company as on 31st March 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of the Company is covered under a Separate Annexure forms part to this report.

PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND ITS COMMITTEES:

The evaluation framework for assessing the performance of Chairman, Directors, Board and Committees comprises, inter-alia of the following parameters:

- a) Directors bring an independent judgement on the Board discussion utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management
- b) Directors demonstrate awareness and concerns about the norms relating to Corporate Governance, disclosure and legal compliance.
- c) Directors contributes new ideas / insights on the business issues raised by the Management.
- d) Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- e) The Board / Committee meeting are conducted in a manner which facilitate open discussion and robust debate on all key items on the agenda.
- f) The Board receives adequate and timely information to enable discussion / decision making during Board Meetings.
- g) The Board addresses interest of all stakeholders of the Company.
- h) The Committee is delivering on the defined objectives.
- i) The Committee has the right composition to deliver its objectives.

The Performance evaluation of Chairman, Directors, Board and Committee was undertaken by the Nomination and Remuneration Committee for the year under review and the results were reported to the Board of Directors.

ANNUAL RETURN:

The Extract of Annual Return is annexed to the Directors' Report.

FAMILIARIZATION PROGRAM AND INDEPENDENT DIRECTORS:

The Company has practice of conducting familiarization program of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

WHISTLE BLOWER POLICY:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower policy under which employees are free to report violations of the applicable laws and regulations and the code of conduct. The Whistle Blower Policy is available on the website of the Company at www.universal-arts.in

NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the Company has constituted Nomination and Remuneration Committee consisting of the following Members:

- a) Mr. Satish Shidhaye
- b) Mr. Sandeep Poddar
- c) Ms. Ulka Shah

The Board of Directors of the Company has approved the Nomination and Remuneration Policy which inter-alia contain the appointment criteria, qualifications, positive attributes and independence of Directors, removal, retirement and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company. The said policy is available on the website of the Company www.universal-arts.in

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained from them, your Directors make the following statements in terms of section 134(3) (c) of the Companies Act, 2013

- a) In the preparation of annual account, the applicable accounting standard have been followed along with proper explanation relating to material departures.
- b) Accounting Policies are listed in Notes to the financial statement have been selected and applied consistently. Reasonable and prudent judgment as well as estimates have been made so far as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the Profit of the Company for that period.
- c) Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Companies Act, 2013 so as to safeguard the assets of the Company and to detect and prevent fraud and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis
- e) Internal financial controls system is in place and the same has been followed by the Company. Further such Internal Financial controls are adequate and were operating effectively.
- f) Proper system to ensure Compliance with the provisions of all applicable law and such systems were adequate and operating effectively.

PERSONNEL:

There were no employees covered u/s 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

The Company is not 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 earnings and outgo is concerned, the Company has neither earned nor used any foreign exchange during the period under review.

AUDITORS:

M/s Sekhri Kanodia & Associates, Chartered Accountants, has resigned as Statutory Auditors of the Company and hence their office will be vacated at the conclusion of this Annual General Meeting and have expressed their inability to continue as Statutory Auditor for the Financial Year 2016-17.

The Board of director of the Company proposes to appoint M/s Ajay Sekhri and Co. Chartered Accounts, Mumbai as Statutory auditor of the Company from Conclusion of this Annual General Meeting for a period of 5 years. The Board of directors have proposed their appointment and the necessary certificates for the purpose of such appointments are obtained.

AUDITORS' REPORT:

The Comments in the Auditors Report are self explanatory and suitably explained in the Notes to the Accounts.

SECRETARIAL AUDIT:

Pursuant to section 204 of the Companies Act, 2013 the Secretarial Auditor Mr. VISHAL N MANSETA., Company Secretary, has issued Secretarial Audit Report for the year ending on 31st March, 2016 is annexed to Directors' Report.

The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

The Details of Investment made and loan advanced by the Company have been given in note no. 6, and 7 to the Financial Statement.

The Company has not given any guarantee pursuant to the provisions of section 186 of Companies Act, 2013

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with the operating system, accounting policies and procedures of the Company. These are routinely tested and certified by Statutory as well as Internal Auditors. The Significant audit observations and the follow up action are reported to the Audit Committee.

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DISCLOSURE AS PER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with rule 14, the internal committee constituted under the said Act has confirmed that no complaint / case has been filed / pending with the Company during the year.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transaction made by the Company with Promoter, Director, Key Managerial Personnel or other designated person which have a potential conflict with the interest of the Company at large.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance is included in the Annual Report and the certificate from Mr. VISHAL N MANSETA., practicing Company Secretary, Mumbai, and Company's Secretarial Auditor confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange is annexed thereto.

HUMAN RESOURCES DEVELOPMENT:

Many initiatives have been taken to support business through organizational efficiently, process change support and various employee engagement program which has helped the Organization to achieve higher productivity level. A significant efforts has also been undertaken to develop leadership as well as technical / functional capacities in order to meet future talent requirement.

The Company's HR process such as hiring and on-boarding, fair transparent on line performance evaluation and talent management process, state-of-the-art workmen development process and market assigned policies have been seen as benchmark practice in the Industry. The Employees are encouraged to express their views and are empowered to work independently. The Employees are given the opportunity to learn through various small project which make them look at initiatives from different perspectives and thus provide them with the platform to become result oriented. The Management of the Company enjoy cordial relation with its employees at all levels. The Board of Directors wish to place its highest appreciation for the contribution made by all the employees in achieving growth of the Company.

ENHANCING SHAREHOLDERS VALUE:

Your Company believes that its members are among its most important stakeholders. Accordingly your Company's operations are committed to the pursuit of achieving high level of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive assets and resource base and nurturing overall corporate reputation

CASH FLOW STATEMENT:

In conformity with the clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2016 annexed hereto.

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Manish G. Shah

CHAIRMAN

DIN: 00434171

Place: **Mumbai**

Date: **8th August, 2016**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

The Indian economy remained resilient and grew by 7.6% in FY2016, making it the world's fastest growing economy among the large economies, according to the data released by the Central Statistics Organisation (CSO) of India. This was higher than 7.2% economic growth recorded in FY2015, buoyed by improved agricultural performance and growth in consumption. The economy outgrew most major economies on the back of strong domestic demand, coupled with a drop in crude and commodity prices. The CSO had estimated the Indian economy to record a five-year high growth rate of 7.6% on the back of improved performance in manufacturing and farm sectors. The International Monetary Fund (IMF) retained its growth forecast for India in FY2017 at 7.5%, largely driven by private consumption even as weak exports and sluggish credit growth continue to weigh on the economy. India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes. Robust reforms, push for Make in India and a better external environment indicate a double-digit growth trajectory. India climbed 12 notches on the World Bank's Ease of Doing Business indicator and is a "haven of stability amid a turbulent global economy". The Government has taken several steps to improve the country's economic environment – including simplifying approval procedures, repealing obsolete laws, putting in place a non-adversarial tax regime and addressing the issue of subsidy leakage. Foreign investment inflow into the country increased by 39% in 2015.

INDIAN ECONOMY GROWTH DRIVERS

Strong macro-economic fundamentals, favourable business sentiments and a downward trend in interest rates are significant positives for the economy. According to the estimates of the Confederation of Indian Industry (CII), government infrastructure investments and increased investments from the private sector will boost GDP growth. India has benefited from lower oil prices and remains on a strong recovery path, being the fastest-growing large economy in the world. An incipient recovery of private investment is expected to help broaden the recovery. Moreover, higher levels of public infrastructure investment and government measures to re-ignite investment projects should help crowd in private investment. An integrated set of initiatives – including Make In India, Start-Up India, Mudra Yojana and Skill India – will help create a large number of jobs. A series of reforms is being initiated to help convert job seekers into job creators. The Government has launched the StartUp India campaign, which will deepen, expand and support the innovation ecosystem in the country.

INDIA MEDIA AND ENTERTAINMENT INDUSTRY

Calendar Year 2016 (CY2016) was a mixed bag for the Indian Media & Entertainment (M&E) industry. Coming off the heady days of CY2015, when election spending and renewed hope drove a significant level of media spend, CY2016 was a year of settling in, rolling up one's sleeves and getting down to task. The M&E sector grew by 12.8% from ` 1,026 billion in CY2015 to ` 1,157 billion in CY2016. A healthy advertising environment, with around 15% growth – propelled several parts of the industry to unprecedented growth. Television again performed very well, led by the General Entertainment Channels (GEC).

Cy2015 saw several new channel launches and also witnessed the industry's adoption of a brand new ratings system – Broadcast Audience Research Council (BARC). Digitisation of cable continued with its implementation challenges, but with Phase III substantially completed, significant progress is being made. Addressability still remains a key challenge even after digitisation, but the industry is hopeful that these challenges, too, will get addressed in time. The cable industry awoke to the potential of broadband and the year saw several companies restructure and raise funds from private equity or through listings. The Media & Entertainment (M&E) industry is set to grow at a CAGR of 14.3% to ` 2,260 billion by CY2020, according to the KPMG-FICCI Media and Entertainment industry report 2016, titled 'The Future: now streaming'. According to the report, the growth of the M&E industry will be led by advertising revenue, which is expected to grow to ` 994 billion at a CAGR of 15.9%. Growth for television advertising is projected at a CAGR of 15% between CY2015 and CY2020, while print media is expected to grow at 8.6%, according to the report. With an advertising growth rate of 17%, CY2015 was a phenomenal year for television. Some Hindi General Entertainment Channels may even have outperformed the industry with a growth rate of more than 20%. Although TV saw a spike in advertising, subscription revenue for the medium remained muted. Digital advertising, which continued its strong run with 38.2% growth over CY2014 – as a mounting Internet user base and data usage were supplemented by increased spend allocation by marketers – is likely to scale up to ` 255 billion by CY2020 and contribute to 25.7% of total advertising revenues, according to the FICCI Report.

INDIAN MOVIES INDUSTRY

During CY2015, the movies industry grew at 9.3% although the underlying fundamentals were mixed, with Hollywood and regional releases also contributing to growth. Films are expected to grow at an annual rate of 10.5% in the near term. Lack of screen density is a key constraint to sustained growth, especially for Bollywood content. While exhibitors recorded a significant growth in regional and Hollywood film collections, collection for Hindi films (Bollywood) was almost flat compared to previous years. On the other hand, strong regional content seemed to have gained acceptance even among the non-native language speaking audience, thereby improving the share of regional films in the overall revenue pie. Action hero film franchises, along with wide distribution and marketing, helped Hollywood in continuing its double-digit growth trajectory in India, clearly demonstrating the audience's appetite for differentiated content.

INDUSTRY OUTLOOK

The Indian Media & Entertainment industry is on an impressive growth path. The revenue from advertising is expected to grow at a CAGR of 13% and will exceed ` 81,600 crore (US\$ 12.29 billion) by CY2019 from ` 41,400 crore (US\$ 6.24 billion) in CY2014. Internet access has surpassed the print segment as the secondlargest segment contributing to the overall pie of the Media & Entertainment industry revenues. Television and print are expected to remain the largest contributors to the advertising pie in 2018 as well. Internet advertising will emerge as the third-largest segment, with a share of about 16% in the total Media & Entertainment advertising pie. The film segment which contributed ` 12,640 crore (US\$ 1.90 billion) in CY2014 is projected to grow steadily at a CAGR of 10% on the back of higher domestic and overseas box-office collections as well as cable and satellite rights.

COMPETITION FROM OTHER PLAYERS

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. It may not be possible to consistently predict changing audience tastes. People's tastes vary quite rapidly along with the trends and environment they live in. This makes it virtually impossible to predict whether a particular show or serial would do well or not. With the kind of investments made in ventures, repeated failures would have an adverse impact on the bottom line of the Company

SLOWDOWN IN DTH/DIGITAL ROLLOUT

The uptake of pay digital services by subscribers has been a very encouraging sign for all broadcasters. Internationally most broadcasters derive a greater share of their revenues from the subscription revenues whereas in India the under-declaration in the analogue cable system has led to broadcasters being more dependent on advertising revenues, which tend to be cyclical in nature and more affected by the macro economic factors. The rollout of Phase I and Phase II cities took longer than expected. Similarly, it may take longer to realize revenues from Phase III and Phase IV cities as their rollouts may not be completed on time.

THREATS/RISKS AND MITIGATION MEASURES

PIRACY

The issue of piracy remains a critical issue for the Indian film industry. However, there are some changes that have helped the industry battle this issue aggressively. With the advent of digitization, penetration of movies into newer geographies, initiatives taken by industry bodies and the amendment of the Cinematograph Act of 1952 to form a new improved Act in 2013, the Indian film industry is addressing.

The issue of piracy by integrating all available resources. With digitization, the theatre-to-television window has further been reduced to less than 2-3 months. This has discouraged the business of pirated DVDs to some extent. In this context, it is important that industries collaborate and create efficient mechanisms for content protection. With cooperation from the government and internet service providers, site-blocking measures can combat online piracy. The initiatives of Telugu film industry are a significant step in that direction. A major deterrent to piracy will come only from a change in mindset on the part of consumers.

HIGHER TAX REGIME

High entertainment tax acts as a major impediment to the growth of exhibition industry, as the overall tax implication is as high as 40-50 percent in states like Maharashtra, Uttar Pradesh, Bihar and Karnataka. Hence, it is imperative that the entertainment tax structure across the country be rationalized by bringing down rates of entertainment taxes. Also, it will be useful to provide tax holiday benefits for infrastructural development on setting up cineplexes in tier II and tier III cities to incentivize the sector and boost growth and development of such cities.

GOVERNMENT INITIATIVES

The Government of India has supported this sector's growth by taking various initiatives such as digitizing the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

Recently, the Indian and Canadian governments have signed an audio-visual co-production deal that would help producers from both countries to explore their technical, creative, artistic, financial and marketing resources for co-productions and, subsequently, lead to exchange of culture and art amongst them.

Furthermore, the Centre has given the go-ahead for licenses to 45 new news and entertainment channels in India. Among those who have secured the licenses include established names such as Star, Sony, Viacom and Zee. Presently, there are 350 broadcasters which cater to 780 channels. "We want more competition and we wanted to open it up for the public. So far, we have approved the licenses of 45 new channels. It's a mix of both news and non-news channels," said Mr. BimalJulka, Secretary, Ministry of I&B, Government of India.

ROAD AHEAD

The Indian M&E industry is on an impressive growth path. According to the CII-PwC study, the revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed Rs 60,000 crore (US\$ 9.64 billion) in 2018 from Rs 35,000 crore (US\$ 5.62 billion) in 2013. Internet access has surpassed the print segment as the second-largest segment contributing to the overall pie of M&E sector revenues.

Television and print are expected to remain the largest contributors to the advertising pie in 2018 as well. Internet advertising will emerge as the third-largest segment, with a share of about 16 per cent in the total M&E advertising pie. The film segment estimated at Rs 12,600 crore (US\$ 2.02 billion) in 2013 is projected to grow steadily at a CAGR of 12 per cent on the back of higher domestic and overseas box-office collections as well as cable and satellite rights

Digital advertising is expected to lead the CAGR with 27.7 per cent, followed by radio with 18.1 per cent. Gaming and television are expected to register a CAGR of 16.2 per cent each, followed by growth rates of animation and VFX (15.9 per cent), music (13.2 per cent), films (11.9 per cent) and OOH with 9.2 per cent expected CAGR. Within TV, subscription revenues are expected to be three times more than advertising revenues, by 2018. Growth in the regional reach of print and radio shall provide opportunities to further improve the advertisement revenue.

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

Your Directors submit their report on the Corporate Governance of the Company for the year ended on 31st March, 2016.

COMPANY PHILISOPHY ON CORPORATE GOVERNANCE

The Company firmly believes that the business is built on ethical values and principle of transparency. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company Philosophy on Corporate Governance is to adopt internal and external measures to increase the level of transparency, accountability, business risk management, internal control system and their adequacy, human resource development, enhancing shareholders value and to respect the laws of land & rights of stakeholders and to uphold at all times fundamental values of accountability, probity and transparency.

BOARD OF DIRECTORS:

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship/Membership of Committees are as follows:

Name of Director	Category of Directorship	No.of Board Meeting attended	Attendance of last AGM	No.of Other Directorship	Member	Chairman
Mr. Manish Shah	ED	4	YES	-	-	-
Mrs. Ulka Shah	NED	4	YES	-	-	-
Mr. Satish M. Shidhaye	NED	4	YES	-	-	-
Mr. Sandeep Poddar	NED	4	YES	-	-	-

NED- Non-Executive Director

ED-Executive Director

During the year ended on March 31, 2016, Board Meetings were held on May 30, 2015, August 13, 2015 November 09, 2015, February 10, 2016

Audit Committee:

The terms of reference of Audit Committee is according to Clause 49 of Listing Agreement and section 177 of Companies Act, 2013 which, inter-alia, includes to overseas the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualification in draft Auditors' Report, performance & independence of Statutory and internal Auditors, report on the Company's internal auditors, financial statement audited by the Statutory Auditor and also review the information relating to Management Discussion and Analysis of financial statement and results of the operations, statement on significant related party transactions and internal control system.

The Audit Committee consist of Mr. Sandeep Poddar as Chairman and Mr. Satish Shidhaye and Mr. Manish Shah as Members.

The Audit committee met on May 30, 2015, August 13, 2015 November 09, 2015, February 10, 2016 to review the Quarterly results, to review the financial conditions and results of operations, overseas the general accounting practice and other management policies.

Name of Director	No. of Meeting held	No. of Meeting attended
Mr. Satish M. Shidhaye	4	4
Mr. Sandeep Poddar	4	4
Mr. Manish Shah	4	4

Remuneration Policy and Details of Remuneration Paid:

The terms of reference of Nomination and Remuneration Committee is according to section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement

During the year under review, the Company has not paid any remuneration to Directors.

The Board has, on recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management and their Remuneration.

The Nomination & Remuneration Committee consist of Three Director – Mr. Satish M. Shidhaye, as Chairman and Mr. Sandeep Poddar and Ms. Ulka Shah as Member.

During the year the Committee Meeting was held on November 09, 2015 and February 10, 2016.

Name of Director	No. of Meeting held	No. of Meeting attended
Mr. Satish M. Shidhaye	2	2
Mr. Sandeep Poddar	2	2
Ms. Ulka Shah	2	2

Share Transfer Committee/Investor Grievance Committee:

Shareholder's Grievance Committee was constituted to look into shareholder's/Investor's grievance relating to transfer/transmission of shares, non-receipt of Dividend/Annual Reports, duplicate share certificate & other related matter.

The Shareholder/Investor Grievance committee constituted under the chairmanship of Ms. Ulka Shah, and Mr. Sandeep Poddar and Mr. Satish Shidhaye. There are no pending complaints as on May 25, 2016.

During the year the Committee Meeting was held on May 30, 2015 and November 9, 2015.

Name of Director	No. of Meeting held	No. of Meeting attended
Ms. Ulka Shah	2	2
Mr. Satish M. Shidhaye	2	2
Mr. Sandeep Poddar	2	2

Performance Evaluation of Chairman, Directors, Board and Committees:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has to carry out the annual performance evaluation for year ended on 31st March, 2016 of Chairman, Directors, Board and its Committee.

The evaluation framework for assessing the performance of Chairman, Directors, Board and Committees comprises, inter-alia of the following parameters:

- Directors bring an independent judgment on the Board discussion utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management
- Directors demonstrate awareness and concerns about the norms relating to Corporate Governance, disclosure and legal compliance.
- Directors contribute new ideas / insights on the business issues raised by the Management.
- Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- The Board / Committee meeting are conducted in a manner which facilitate open discussion and robust debate on all key items on the agenda.
- The Board receives adequate and timely information to enable discussion / decision making during Board Meetings.
- The Board addresses interest of all stakeholders of the Company.
- The Committee is delivering on the defined objectives.
- The Committee has the right composition to deliver its objectives.

Meeting of Independent Directors:

During the year under review, the Independent Directors met on 10th February, 2016, inter alia, to consider:

- The Performance of Non-independent Directors and the Board as a whole.
- The Performance of Executive Directors
- The quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Name & Designation of Compliance Officer:

Mr. Manish Shah

Managing Director

Plot No. 45, Ganpati Bhavan, 1st Floor

M.G. Road, Goregaon (W), Mumbai - 400062

Universal Arts limited

GENERAL BODY MEETINGS:

Date & Time	Venue	Special Resolution
30th day of September, 2015 at 11.00 a.m.	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai – 400 062	NO
30th day of September, 2014 at 11.00 a.m.	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai – 400 062	NO
23rd day of December, 2013 at 11.00 a.m.	Keshav Gore Smarak Trust Hall Smriti, Aarey Road, Goregaon (W) Mumbai – 400 062	NO

DISCLOSURES:

The related party transactions are reported in the notes to the Accounts of this Annual Report.

MEANS OF COMMUNICATION:

Quarterly results have been communicated to Bombay Stock Exchange limited where the shares of the Company's is listed and the same has been published in Two Newspaper-Free Press Journal(in English) and Nav Shakti(in Marathi) in terms of the requirement of Listing Agreement . Annual Reports are dispatched to all the shareholders.

GREEN REVOLUTION:

In support of "Green initiative" undertaken by Ministry of Corporate Affairs, the Company had during the financial year 2015-16, sent various communication including intimation Half yearly results by email to those shareholders whose email addresses are registered with the Depositories or the Registrar and Transfer Agents. Physical copies were sent to only those Members whose email address were not available.

SHAREHOLDER INFORMATION :

1. Year ended : 1st April, 2015 to 31st March, 2016.
2. Dividend Payment Date : NIL
3. Venue : Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai – 400062
4. Stock Exchanges : BSE Limited
5. Dematerialization of Shares : As per the directive of the Stock Exchange, the Company's Shares are dematerialized.
6. Registered Office : Plot No. 45, GanpatiBhavan, 1st Floor, M.G. Road, Goregaon (W), Mumbai - 400062
8. Share Transfer Agent : BigShare Services Private Limited
E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400 072
9. Demat Arrangement : NSDL and CDSL
10. ISIN : INE464801018
11. BSE Stock Code : 532378

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 2016:

Range of Shareholders	No. of Shareholder as on 31.03.2016	% of Total as on 31.03.2016	No. of Shareholder as on 31.03.2015	% of Total as on 31.03.2015
1 to 5000	2568	58.59	2602	58.08
5001 to 10000	849	19.37	870	19.42
10001 to 20000	417	9.51	438	9.78
20001 to 30000	161	3.68	165	3.68
30001 to 40000	85	1.94	89	1.99
40001 to 50000	90	2.05	89	1.99
50001 to 100000	109	2.49	118	2.63
100001 & above	104	2.37	109	2.43
	4383	100	4480	100

SHAREHOLDING AS ON 31.03.2016

Particulars	No. of Shares on 31.03.16	% of Total as on 31.03.2016	No. of Shares as on 31.03.15	% of Total as on 31.03.2015	Variences
Promote & Promoter Group	100	0.00	100	0.00	0
Mutual Funds and UTI	0	0	0	0	0
Government Co., Financial Institutions, Bank and Insurance Companies	0	0	0	0	0
Foreign Financial Investors	0	0	0	0	0
NRIs, Foreign Cos.	0	0	0	0	0
Others	916,98,00*	100.00	99,69,800*	100.00	0

Note: * Out of the total shares (99,69,800 & 916,98,00), 2600 shares are partly paid up shares.

CERTIFICATION BY CEO AND CFO OF UNIVERSAL ARTS LIMITED

We, Manish Shah, Managing Director and Mrs. Ulka M. Shah, Director of UNIVERSALARTS LIMITED (the Company) to the best of our knowledge and belief certify that:

1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2016 and to the best of our knowledge and belief:
 - a. These statement do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading
 - b. These statement together presents a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to be best of their knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2016 which are fraudulent, illegal or violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. During the year :
 - a) There has not be any significant changes in the internal controls over financial reporting
 - b) There have not been any significant change in accounting policies and
 - c) There have been no issuance of significant fraud of which we are aware that involve management or other employee having a significant role to the Company's internal control system over reporting period

Manish G. Shah
Managing Director
DIN:-00434171

Ulka M. Shah
Director
DIN:- 00434277

Place : **Mumbai**
Dated : **8th August, 2016**

CERTIFICATE BY THE PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,

The Members of

UNIVERSALARTS LIMITED

I have examined the compliance of conditions of Corporate Governance by UNIVERSAL ARTS LIMITED, for the year ended on March 31, 2016, as stipulated under Listing Agreement upto November 30, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 from December 01, 2015 till March 31, 2016.

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management I certify that the company has generally complied with conditions of Corporate Governance as stipulated in Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the respective periods as mentioned above.

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

For **Vishal N. Manseta**
(Practicing Company Secretary)

Place : **Mumbai**
Date : **August 08, 2016**

VISHAL N MANSETA
C.P. No. : 8981
ACS No. : 25183

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, undersigned, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended on 31st March, 2016

For **UNIVERSAL ARTS LIMITED**

Manish G. Shah
Managing Director
DIN:-00434171

Place : **Mumbai**
Date : **8th August, 2016**

Form No. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2016
Pursuant to section 92 of the Act and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014

- I. Registration Details
1. CIN : L22300MH1995PLC091082
2. Registration Date : 27th July, 1995
3. Name of the Company : Universal Arts Limited
4. Category / Sub-Category of the Company : Company Limited by Shares / Indian Non-Government Company
5. Address of Registered Office and contact Details : Plot No. 45, First Floor,
Ganapati Bhavan, M. G. Road.
Goregaon West, Mumbai 400 062
Phone:022-28748995,28749001
Email: universalartslimited@hotmail.com
Website:www.universalarts.in
6. Whether Listed Company (Yes/No) : Yes
7. Name, Address and Contact details of Registrar and Transfer Agent : BIGSHARE Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka
Andheri East, Mumbai 400 072
Tele: 022 – 2847 0652
022 – 40430200
Email: info@bigshareonline.com

II. Principle Business Activities of the Company

Name and Description of Main Products / Services	NIC Code of the Products / Services	% of the Total Turnover
Entertainment Industry	99733201	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Bamalinfotech Private Limited Plot No. 45, First Floor, Ganapati Bhavan, M.G. Road, Goregaon West, Mumbai 400 062	U30007MH2000P TC123495	Subsidiary	100	2 (87) (ii)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity

- a) Category wise Shareholding Refer Annexure 1
- b) Shareholding of Promoter Refer Annexure 2
- c) Change in Promoter Holding Refer Annexure 3
- d) Shareholding Pattern of Top Ten Shareholder Other than Director, Promoter and holder of GDRs And ADRs Refer Annexure 4
- e) Shareholding of Directors and Key Managerial Personnel Refer Annexure 5

Annexure 1**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt/ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
(i) Group Companies	0	0	0	0	0	0	0	0	0
(ii) Trusts	0	0	0	0	0	0	0	0	0
(iii) Directors Relatives	0	100	100	0.00	0	100	100	0.00	0.00
SUB TOTAL									
(A)1	0	100	100	0.00	0	100	100	0.00	0.00
Foreign									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
b) Individual	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e) Any Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total holding for Promoters									
A=(A)(1) + (A)(2)	0	100	100	0.00	0	100	100	0.00	0.00
B. Public Shareholding									
1. Institutions									
a) Central/State Governments	0	0	0	0	0	0	0	0	0%
b) Mutual Funds	0	0	0	0	0	0	0	0	0%
c) Banks / FI	0	0	0	0	0	0	0	0	0%
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0%
f) Insurance Companies	0	0	0	0	0	0	0	0	0%
g) FIs	0	0	0	0	0	0	0	0	0%
h) Foreign Venture Capital Funds Investors	0	0	0	0	0	0	0	0	0%
i) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0%
j) Others (specify)	0	0	0	0	0	0	0	0	0%
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0%
2. Non-Institutions									
a) Bodies Corp.	425007	3300	428307	4.67%	486477	3300	489777	5.34	0.68
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
l) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4067276	54501	4121777	44.95%	3953052	54501	4007553	43.70%	(1.25)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4292949	0	4292949	46.82%	4345314	0	4345314	47.39%	0.57
c) Others (specify)									
Trusts	0	0	0	0	0	0	0	0	0
Non Resident Indians	318580	0	318580	3.47%	318056	0	318056	3.47%	(0.01)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	8187	0	8187	0.09%	9100	0	9100	0.10%	0.01
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	9111999	57801	9169800	100.000%	9111999	57801	9169800	100.00%	0
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	9111999	57801	9169800	100.000%	9111999	57801	9169800	100.00%	0
C. Shares held by Custodian	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9111999	57901	9169900	100.000%	9111999	57901	9169900	100.00%	0

Note :Out of 8,30,900 forfeited Shares, 8,00,000 are re-issued which is yet to be listed and Delisting of Equity Share is pending

Universal Arts limited

Annexure 2

B) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2015)			Shareholding at the end of the year (March 31, 2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares the	% of total Shares of company	% of Shares Pledgezd / encumbered to total shares	
1	TABASSUM V GOVIL	100	0.0011	0.00	100	0.0011	0.00	0%

Annexure 3

C) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	100	0.00	100	0.00

Annexure 4

D) Change in Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 01, 2015)		Shareholding at the End of the year (March 31, 2016)	
	No. of shares	% of Equity Capital	No. of shares	% of Equity Capital
MAYUR MANGALDAS KOTHARI \$	471119	5.14%	471119	5.14%
K S MEENAKSHI SUNDARAM \$	50000	0.55%	325000	3.54%
PADMAVATHI. N \$	311847	3.40%	47550	0.52%
JONQUIL CINEVISION LIMITED \$	162188	1.77%	294939	3.22%
VIPUL JAYRAJ \$	292778	3.19%	292778	3.19%
ANIL GURMUKH BHAGWANI \$	268753	2.93%	268753	2.93%
PISTABAI \$	240848	2.63%	243248	2.65%
SARLAASHOK SARAOGI \$	237256	2.59%	237256	2.59%
POONAM VIPUL KAPADIA \$	225441	2.46%	303394	3.31%
MANISH GARODIA \$	185073	2.02%	185073	2.02%
ATUL MARWAH @	173587	1.89%	174087	1.90%
BHARAT SHANTILAL SHAH @	127850	1.39%	127850	1.39%

Note:

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
2. \$ denotes common top 10 shareholders as on April 1, 2015 and March 31, 2016.
3. @ denotes shareholders who were in top 10 shareholders as on March 31, 2015, but not as on March 31, 2016.

Annexure 5**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (April 01, 2015)		Cumulative Shareholding during the Year (2015-16)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (April 01, 2015)	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year (March 31, 2016)				

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager Manish Shah (Chairman & MD)	Total Amount
1	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission		
	- as % of profit	NIL	NIL
	- others, specify...		
5	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	The ceiling is Rs. 42 Lacs as per Section II of Schedule V of the Companies Act, 2013.	

Universal Arts limited

A. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Sitting Fees	Commission	Others	
1	Independent Directors Ms. Ulka Shah Mr. Sandeep Poddar Mr. Satish Shidhaye Total (1)	NIL NIL NIL NIL	NIL NIL NIL NIL	NIL NIL NIL NIL	NIL NIL NIL NIL
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2)	Not Applicable			
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	No remuneration was paid.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL NIL NIL NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit others, specify...	NIL NIL NIL
5	Others, please specify	NIL
	Total	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED ON 31ST MARCH, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
UNIVERSAL ARTS LIMITED
Plot No. 45, First Floor,
Ganapati Bhavan, M. G. Road,
Goregaon (West),
Mumbai 400 062

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Universal Arts Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provide us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board –process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other record maintained by the Company for the year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under (in so far as they are made applicable)
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
5. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act)
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(not applicable to the Company during Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 **(not applicable to the Company during Audit Period)**
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies and dealing with Client.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Out of 8,30,900 forfeited Shares, 8,00,000 are re-issued which is yet to be listed and Delisting of Equity Share is pending)
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period)

I have also examined the Compliance with the applicable clauses of the following:

1. Secretarial Standard issued by the Institute of Company Secretaries of India
2. The Listing Agreement entered into by the Company with the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No Change in the Composition of the Board of Directors that took place during the period under review.

Universal Arts limited

Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

All the decision at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

I further report that there is adequate system and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance of the applicable laws, rules, regulations and guidelines.

For **Vishal N. Manseta**
(Practicing Company Secretary)

Palce : **Mumbai**
Date : **August 08, 2016**

VISHAL N MANSETA
C.P. No. : 8981
ACS No. : 25183

To,
The Members,
UNIVERSAL ARTS LIMITED
(CIN No. L22300MH1995PLC091082)

My Secretarial Audit Report is to be read along with this letter:

1. Maintenance of secretarial record as well as the compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Our examination was limited to the verification of procedures on test basis.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Vishal N. Manseta**
(Practicing Company Secretary)

Palce : **Mumbai**
Date : **August 08, 2016**

VISHAL N MANSETA
C.P. No. : 8981
ACS No. : 25183

INDEPENDENT AUDITORS' REPORT

To the Members of

UNIVERSALARTS LIMITED

Report on the Financial Statements

- 1) We have audited the accompanying financial statements of UNIVERSAL ARTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

- 3) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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
- 4) 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March 2016, its loss and Cash Flow for the year ended on that date;

Report On Other Legal and Regulatory Requirements

- 7) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order.
- 8) As required by section 143(3) of the Act, we further report that:
- a) we have sought and 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;

Universal Arts limited

- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
- f) With respect to adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Sekhri Kanodia & Associates**

Chartered accountants

Firm Reg. No. : 109389W

Ajay Sekhri - Partner

Membership No. : 032103

Place : **Mumbai**

Date : **25-05-2016**

Annexure A referred to in paragraph 7 Our Report of even date to the members of UNIVERSAL ARTS LIMITED on the accounts of the company for the year ended 31st March, 2016.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
 - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
 - (c) The title deeds of immovable properties are held in name of Company.
 - ii. The Company does not hold any Inventories.
 - iii. The company has granted loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Company has granted loan to Midastouch Holdings Pvt. Ltd. and Rotocap Real Estate Developers Pvt. Ltd. in which directors of the Company are directors. Company has not stipulated the schedule of repayment of principal and interest and there are no regular receipts of principal and interest.
 - iv. According to the information and explanations given to us and based on the records of Company examined by us, we report that Company has not given any loan, made any investments, given guarantees, and securities to specified persons under Companies Act hence provisions of section 185 and 186 of the Companies Act are not applicable to Company.
 - v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - vi. Cost accounts and records to be made and maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to Company.
 - vii. (a) According to the information and explanations given to us and based on the records of Company examined by us, Company is regular in depositing the undisputed statutory dues, Income-tax, Sales-tax, and other material statutory dues, as applicable, with the appropriate authorities in India;
 - (b) According to the information and explanations given to us and based on the records of Company examined by us, there are no statutory dues mentioned in sub clause vii(b), which have not been deposited on account of any disputes expect a sum of Rs. 54,51,225/- representing MVAT liability and Rs.33,57,763/- representing CST liability both pertaining to AY 2005-06.
 - viii. According to the records of the Company examined by us and as per the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of principal amount and interest of the loans taken from banks or debenture holders. The Company has not availed of any loans from any financial institution or banks and has not issued debentures.
 - ix. Based upon the audit procedures performed and the information and explanations given to us, Company has not raised any money by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
 - x. According to the information and explanations given to us and based on the records of Company examined by us, no fraud by Company or any fraud on Company by its officers or employees has been noticed during the year.
 - xi. According to the information and explanations given to us, Company has not paid or made any provisions for managerial remuneration during the year.
 - xii. In our opinion, the Company is not a Nidhi Company. Accordingly, this clause is not applicable to Company
 - xiii. According to the information and explanations given to us and based on the records of Company examined by us all transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
 - xiv. According to the information and explanations given to us and based on the records of Company examined by us Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
-

Universal Arts limited

- xv. According to the information and explanations given to us and based on the records of Company examined by us Company has not entered into any non- cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, it has been observed that the Company is not a NBFC and therefore, the Company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sekhri Kanodia & Associates

Chartered Accountants

Firm Reg. No.: 109389W

Ajay Sekhri

Partner

Membership No. : 032103

Place : Mumbai

Date : 25-05-2016

Annexure B referred to in paragraph 8 Our Report of even date to the members of UNIVERSAL ARTS LIMITED on the accounts of the company for the year ended 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **UNIVERSAL ARTS LIMITED** (“Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

Company’s management is responsible for establishing and maintaining internal financial controls in accordance with Rule 8 (5) (viii) of the Companies (Accounts) Rule, 2014 and essential components of internal control stated in the guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Company are being made only in accordance with authorizations of management and directors of Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal

Universal Arts limited

control over financial reporting criteria established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sekhri Kanodia & Associates

Chartered accountants

Firm Reg. No. : 109389W

Ajay Sekhri - Partner

Membership No. : 032103

Place : Mumbai

Date : 25-05-2016

UNIVERSAL ARTS LIMITED
(Formerly Known as Goldmines Media Limited)
CIN:- L22300MH1995PLC091082

Balance Sheet as on 31st March' 2016

Particulars	Note No	AS ON 31-03-2016 (Rs.)	AS ON 31-03-2015 (Rs.)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	2	9,98,72,030	9,98,72,030
b. Reserves and Surplus	3	(1,86,68,827)	(1,28,13,316)
2. CURRENT LIABILITIES			
a. Other Current Liabilities	4	51,58,619	3,82,399
TOTAL		<u>8,63,61,822</u>	<u>8,74,41,113</u>
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	5		
i. Tangible Assets		5,90,254	7,29,686
ii. Intangible Assets		-	44,90,000
b. Non Current investments	6	91,00,000	91,00,000
c. Long term loans and advances	7	6,86,600	7,86,652
2. CURRENT ASSETS			
a. Trade receivables	8	70,14,000	2,51,72,000
b. Cash and cash equivalents	9	6,24,88,992	4,09,52,775
c. Short-term loans and advances	10	64,81,976	62,10,000
TOTAL		<u>8,63,61,822</u>	<u>8,74,41,113</u>

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

1

1

FOR SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

AJAY SEKHRI
PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389W

PLACE : **MUMBAI**
DATE : **25/05/2016**

For and on Behalf of The Board of
Directors

MANISH SHAH **ULKA SHAH**
MANAGING DIRECTOR DIRECTOR
DIN:-00434171 DIN:- 00434277

PLACE : **MUMBAI**
DATE : **25/05/2016**

Universal Arts limited

UNIVERSAL ARTS LIMITED
(Formerly Known as Goldmines Media Limited)
CIN:- L22300MH1995PLC091082

Statement of Profit and Loss for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015)

Particulars	Note No	AS ON 31-03-2016 (Rs.)	AS ON 31-03-2015 (Rs.)
I. Revenue from operations			
Sales		66,30,000	3,41,06,250
Liasoning Charges		20,00,000	-
II. Other Income	11	99,590	26,614
III. Total Revenue (I +II)		87,29,590	3,41,32,864
Expenses:			
Purchase of Stock-in-Trade		56,00,000	2,57,00,000
Employee Benefit expenses	12	23,27,900	15,70,754
Depreciation and amortization expense	5	1,39,432	1,58,082
Other expenses	13	65,17,768	58,50,081
IV. Total Expenses		1,45,85,100	3,32,78,917
V. Profit before tax (III-IV)		(58,55,510)	8,53,947
VI. Tax expense:			
Current tax		-	-
VII. Profit/(Loss) for the period (V-VI)		(58,55,510)	8,53,947
VIII. Earning per equity share:			
(1) Basic		N.A.	0.09
(2) Diluted		N.A.	0.09

Summary of Significant Accounting policies 1 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

AJAY SEKHRI-PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389W

PLACE: **MUMBAI**
DATE: **25/05/2016**

For and on Behalf of The Board of
Directors

MANISH SHAH
MANAGING DIRECTOR
DIN:-00434171

PLACE: **MUMBAI**
DATE : **25/05/2016**

ULKA SHAH
DIRECTOR
DIN:- 00434277

Cash flow statement for the period ended 31st March 2016 (Previous Year 01/07/2014 to 31/03/2015)**(Rs. In '000)**

Particulars	As at 31.03.2016	As at 31.03.2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	(5,856)	854
Adjustment for		
Gain on Sale of Investments	-	-
Depreciation	139	158
Preliminary and issue expenses written off	-	-
Operating profit before working capital charges	<u>(5,716)</u>	<u>1,012</u>
Ajustment for		
(Increase)/Decrease in current Assets		
Loans & Advances	(172)	514
Trade and other receivable	18,158	(25,172)
Inventories	-	-
Increase/(Decrease) in current liabilities		
Trade payables	4,776	142
Net cash used in operating activities (A)	<u>17,046</u>	<u>(23,503)</u>
Less :- Taxes Paid	-	-
	<u>17,047</u>	<u>(23,502)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	4,490	4,490
Sale/(Purchase) of Investment	-	-
Net cash used in investing activities (B)	<u>4,490</u>	<u>4,490</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans	-	-
Net cash used in financing activities (C)	<u>-</u>	<u>-</u>
NET INFLOW (OUTFLOW) [A+B+C]	<u>21,536</u>	<u>(19,013)</u>
D NET INCREASES IN CASH & CASH EQUIVALENTS		
Cash & Cash equivalents opening balance	40,953	59,966
Cash & Cash equivalents closing balance	<u>62,489</u>	<u>40,953</u>
	<u>21,536</u>	<u>(19,013)</u>

As per our report of even date

**FOR SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS****AJAY SEKHRI**
PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389WPLACE: **MUMBAI**
DATE : **25/05/2016****For and on Behalf of The Board of
Directors****MANISH SHAH**
MANAGING DIRECTOR
DIN:-00434171**ULKA SHAH**
DIRECTOR
DIN:- 00434277PLACE: **MUMBAI**
DATE : **25/05/2016**

Corporate Information

UNIVERSAL ARTS LIMITED (Formerly Known as Goldmines Media Limited) is a company in which public are substantially interested incorporated under the Companies Act, 1956
Company is engaged in the business of Trading of Film Rights.

Notes forming part of the Financial Statements for the period ended 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013 and the RBI guidelines/regulations to the extent applicable.
- 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) As per the newly amended Companies Act, 2013 company is required to charge Depreciation on fixed assets on the basis of useful life of assets and as per Schedule II of the said Act. Further as per guidance note issued by ICAI, depreciation rate is calculated for existing assets considering its residual value and remaining useful life and depreciation on such assets is charged on written down value method.

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 (Tapes 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;
-

Notes forming part of the Financial Statements for the period ended 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

- 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.

PARTICULARS	31-03-2016 (Rs.)	31-03-2015 (Rs.)
NOTE 2 : SHARE CAPITAL		
A) Authorised, Issued, Subscribed and paid up Share Capital and par value per share		
Authorised Share Capital		
1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000	11,00,00,000
TOTAL	11,00,00,000	11,00,00,000
Issued and Subscribed Share Capital		
1,00,00,800 Equity Shares of Rs. 10/- each	10,00,08,000	10,00,08,000
TOTAL	10,00,08,000	10,00,08,000
Paid Up Capital		
99,69,900 Equity Share of Rs. 10/- each fully paid up	9,96,99,000	9,96,99,000
Add: Forfeited shares (Amount Originally paid on 30900 Shares)	1,73,030	1,73,030
TOTAL	9,98,72,030	9,98,72,030
B) Shares in the Company held by each shareholder holding more than 5% shares		
Name of the Shareholder	No. of shares held in the company	No. of shares held in the company
No shareholders hold more than 5% shares of the company	-	-
TOTAL	-	-
NOTE 3: RESERVES & SURPLUS		
Capital Reserve	43,25,720	43,25,720
Profit & Loss Account		
Balance as per previous Balance sheet	(1,71,39,036)	(1,79,27,648)
Add/(Less) : During the year	(58,55,510)	8,53,947
Less:- Balance of Assets whose useful life as per Schedule II is over	-	(65,335)
Closing Balance	(2,29,94,547)	(1,71,39,036)
TOTAL	(1,86,68,827)	(1,28,13,316)
NOTE 4 : OTHER CURRENT LIABILITIES		
Trade Payables	45,00,000	-
Outstanding Expenses	6,58,619	3,82,399
TOTAL	51,58,619	3,82,399

NOTE 5 : FIXED ASSETS

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

TANGIBLE

Sr	Description	Gross Carrying Amount		Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount					
No.		As on 31-03-2015	Additional adjustment during the year	Deductions during the year	Provided during the year	Deductions during the year	As on 31-03-2015	Reversed during the year	As on 31-03-2016	As on 31-03-2015	As on 31-03-2016				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=(1)-(5)-(9)	(14)=(4)-(8)-(12)
1	Building	7,50,000	-	-	7,50,000	1,59,307	12,608	-	1,71,915	-	-	-	-	5,90,693	5,78,085
2	Plant and Machinery	20,57,400	-	-	20,57,400	19,18,407	1,26,824	-	20,45,231	-	-	-	-	1,38,993	12,169
	TOTAL	28,07,400	-	-	28,07,400	32,54,503	1,39,432	-	22,17,146	-	-	-	-	7,29,686	5,90,254

INTANGIBLE

Sr	Description	Gross Carrying Amount		Accumulated Depreciation			Accumulated Impairment			Net Carrying Amount					
No.		As on 31-03-2015	Additional adjustment during the year	Deductions during the year	Provided during the year	Deductions during the year	As on 31-03-2015	Reversed during the year	As on 31-03-2016	As on 31-03-2015	As on 31-03-2016				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=(1)-(5)-(9)	(14)=(4)-(8)-(12)
1	Patent & Content Right	14,75,230	-	-	14,75,230	14,75,230	-	-	14,75,230	-	-	-	-	-	-
2	Intangible Asset & Development	44,90,000	-	44,90,000	-	-	-	-	-	-	-	-	-	44,90,000	-
	TOTAL	59,65,230	-	44,90,000	14,75,230	14,75,230	-	-	14,75,230	-	-	-	-	44,90,000	-

Notes forming part of the Financial Statements for the period ended 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

NOTE 6 : NON CURRENT INVESTMENT		
Non Trade Investments		
i. Investments in equity Instruments		
Unquoted		
Bama Infotech Pvt. Ltd. of Rs. 10/- each qty 10000- (Subsidiary)	1,00,000	1,00,000
ii. Investments in convertible debentures		
Bama Infotech Pvt. Ltd. of Rs. 1000/- each 9000 (9000)- (Subsidiary)	90,00,000	90,00,000
TOTAL	91,00,000	91,00,000
NOTE 7:- LONG TERM LOANS AND ADVANCES		
i. Security Deposits		
Reliance Energy Limited	50,450	51,450
ii. Balances with Government authorities		
T.D.S. - A.Y.2005-2006	1,03,616	1,03,616
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. - AY 2012-2013	45,443	45,443
T.D.S. - AY 2014-2015	-	4,91,052
T.D.S. - AY 2015-2016	-	8,000
<i>VAT / CST Part Payment against pending disputes</i>		
- CST 2005-06	2,00,000	-
- VAT 2005-06	2,00,000	-
TOTAL	6,86,600	7,86,652
NOTE 8 : TRADE RECEIVABLES		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
	72,000	-
Other Trade receivable		
Unsecured considered good	69,42,000	2,51,72,000
TOTAL	70,14,000	2,51,72,000
NOTE 9 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	6,23,33,058	1,22,692
Other Bank Balances: FDR	-	4,08,00,000
B) Cash in hand		
	1,55,934	30,083
TOTAL	6,24,88,992	4,09,52,775
NOTE 10 : SHORT TERM LOANS AND ADVANCES		
a. Loans and advances due by private companies in which director is a director/member		
Unsecured considered good	37,10,000	37,10,000
Sub Total	37,10,000	37,10,000
b. Loans and Advances to others		
Unsecured considered good	51,500	-
Sub Total	51,500	-
c. Advance for Films		
Advance for Films	25,00,000	25,00,000
Sub Total	25,00,000	25,00,000
d. Balance with Government Authorities		
TDSAY 2016-17	2,20,476	-
Sub Total	2,20,476	-
TOTAL	64,81,976	62,10,000

Universal Arts limited

Notes forming part of the Financial Statements for the period ended 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

NOTE 11 : OTHER INCOME		
Interest Income	99,590	26,614
TOTAL	99,590	26,614
NOTE 12 : EMPLOYEE BENEFIT EXPENSES		
Salaries and wages, bonus, gratuity and allowances;		
Salary, Bonus & Exgratia	22,16,058	14,91,973
Staff Welfare Expenses		
Staff Welfare Expenses	1,11,842	78,781
TOTAL	23,27,900	15,70,754
NOTE 13 : Other EXPENSES		
Direct Expenses	51,790	62,191
Advertising Expenses	61,662	42,891
Audit Fees	31,920	24,892
AGM Expenses	25,014	21,850
Annual Charges	63,897	35,209
Books and Periodicals	29,935	14,197
Business Promotion expenses	1,09,856	99,393
Electricity charges	1,94,090	1,41,230
Conveyance Expenses	2,21,407	1,43,186
Listing fees	2,27,453	87,360
Miscellaneous expenses	1,10,919	66,308
Office expenses	1,26,007	95,277
Postage & Telegram	1,16,500	1,11,853
Printing & Stationery	1,85,215	1,40,797
Professional Fees	1,17,806	21,250
Profession Tax	2,500	1,875
Registrar fees	61,751	44,496
Repairs & Maintenance	1,14,989	80,562
Rent, Rates & Taxes	27,600	32,936
Telephone, Telex & Courier	1,28,421	91,462
Bank Charges	1,020	865
Swach Bharat Cess	517	-
Sundry Balance Written Off	44,89,999	44,90,001
Website Development Charges	17,500	-
TOTAL	65,17,768	58,50,081

NOTE 14 :-

With regards to Sundry Balance Written off - The Capital Work in progress is to be amortised in 3 years. Thus the Capital Work in progress has been amortised starting from the year 2013-14.

NOTE 15 :-

There are no dues to parties registered under Micro, Small and Medium Enterprises Development Act 2006 as on 31.03.2016

NOTE 16 :-

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

NOTE 17 :-

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

Note 18 :-

The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 31st March 2016 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 19 :-

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.

Notes forming part of the Financial Statements for the period ended 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

NOTE 20 : - Related Party Disclosure

Transaction with Related Parties during year

Company in which director of the Company is Director	Nature of transaction	Amount as on 31/03/2016	Amount as on 31/03/2015
Goldmines Telefilms Private Limited.	Sale of Film	65,00,000	-
	Advance for Film	6,76,50,000	-
	Advance for Film received back	(6,76,50,000)	-
Rotocap Real Estate Developers Private Limited.	Advance for Film	25,00,000	25,00,000
Midastouch Holdings Private Limited.	Loan Given	37,10,000	37,10,000

As per our separate Audit Report of Even Date Attached

**FOR SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS**

AJAY SEKHRI
PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389W

PLACE: **MUMBAI**
DATE : **25/05/2016**

FOR and on Behalf of The Board of Directors

MANISH SHAH	ULKA SHAH
MANAGING DIRECTOR	DIRECTOR
DIN:-00434171	DIN:- 00434277

PLACE: **MUMBAI**
DATE : **25/05/2016**

INDEPENDENT AUDITORS' REPORT

To the Members of

BAMA INFOTECH PRIVATE LIMITED

Report on the Financial Statements

- 1) We have audited the accompanying financial statements of BAMA INFOTECH PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

- 3) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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
- 4) 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March 2016, its profit and Cash Flow for the year ended on that date;

Report On Other Legal and Regulatory Requirements

- 7) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order.
- 8) As required by section 143(3) of the Act, we further report that:
 - a) we have sought and 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 and Cash Flow dealt with by this Report are in agreement with the books of account;

-
-
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
 - f) with respect to adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Sekhri Kanodia & Associates

Chartered Accountants
Firm Reg. No. : 109389W

Ajay Sekhri

Partner
Membership No. : 032103
Place : **Mumbai**
Date : **25-05-2016**

Annexure A referred to in paragraph 7 Our Report of even date to the members of BAMA INFOTECH PRIVATE LIMITED on the accounts of the company for the year ended 31st March, 2016.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- I. The Company does not have any fixed assets, and hence provisions relating to Fixed Assets in the order are not applicable to the company.
 - ii. (a) The Company's inventory consists of intangible rights of movies and the said Intangible rights cannot be physically verified but the documents creating rights in the said Intangible rights are available.
 - (b) The Company is maintaining proper records of the inventory.
 - iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
 - iv. According to the information and explanations given to us and based on the records of Company examined by us, we report that Company has not given any loan, made any investments, given guarantees, and securities to specified persons under Companies Act hence provisions of section 185 and 186 of the Companies Act are not applicable to Company.
 - v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - vi. Cost accounts and records to be made and maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to Company.
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Universal Arts limited

- vii. a) According to the information and explanations given to us and based on the records of Company examined by us, Company is regular in depositing the undisputed statutory dues, Income-tax, Sales-tax, and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us and based on the records of Company examined by us, there are no statutory dues mentioned in sub clause vii(b), which have not been deposited on account of any disputes.
- viii. According to the records of the Company examined by us and as per the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of principal amount and interest of the loans taken from banks or debenture holders. The Company has not availed of any loans from any financial institution or banks.
- ix. Based upon the audit procedures performed and the information and explanations given to us, Company has not raised any money by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. According to the information and explanations given to us and based on the records of Company examined by us, no fraud by Company or any fraud on Company by its officers or employees has been noticed during the year.
- xi. According to the information and explanations given to us, Company has not paid or made any provisions for managerial remuneration during the year.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, this clause is not applicable to Company
- xiii. According to the information and explanations given to us and based on the records of Company examined by us all transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on the records of Company examined by us Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on the records of Company examined by us Company has not entered into any non- cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, it has been observed that the Company is not a NBFC and therefore, the Company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sekhri Kanodia & Associates
Chartered Accountants
Firm Reg. No.: 109389W

Ajay Sekhri
Partner

Membership No. : 032103

Place : **Mumbai**

Date : **25-05-2016**

Annexure B referred to in paragraph 8 Our Report of even date to the members of BAMA INFOTECH PRIVATE LIMITED on the accounts of the company for the year ended 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BAMA INFOTECH PRIVATE LIMITED** ("Company") as of March 31, 2016 in conjunction with our audit of the financial statements of Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

Company's management is responsible for establishing and maintaining internal financial controls in accordance with Rule 8 (5) (viii) of the Companies (Accounts) Rule, 2014 and essential components of internal control stated in the guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its

assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Company are being made only in accordance with authorizations of management and directors of Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sekhri Kanodia & Associates
Chartered Accountants
Firm Reg. No. : 109389W

Ajay Sekhri - Partner
Membership No. : 032103

Place : **Mumbai**

Date : **25-05-2016**

BAMA INFOTECH PRIVATE LIMITED
(CIN: U30007MH2000PTC123495)

Balance Sheet as at 31st March' 2016

Particulars	Note No	AS ON 31/03/2016 (Rs.)	AS ON 31/03/2015 (Rs.)
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	1,00,000	1,00,000
Reserves and Surplus	3	<u>(82,66,811)</u>	<u>(85,33,912)</u>
		(81,66,811)	(84,33,912)
NON CURRENT LIABILITIES			
Long-term borrowings	4	<u>90,00,000</u>	<u>90,00,000</u>
		90,00,000	90,00,000
CURRENT LIABILITIES			
Trade payables	5	3,76,350	3,15,000
Other Current Liabilities	6	<u>48,452</u>	<u>27,552</u>
		4,24,802	3,42,552
TOTAL		<u>12,57,991</u>	<u>9,08,640</u>
II.ASSETS			
NON-CURRENT ASSETS			
Non- Current investments	7	1,71,621	1,71,621
Long Term Loans and advances	8	<u>18,699</u>	<u>18,699</u>
		1,90,320	1,90,320
CURRENT ASSETS			
Inventories		35,000	35,000
Trade receivables	9	4,40,156	4,40,156
Cash and cash equivalents	10	5,19,456	2,43,164
Short term loans and advances	11	<u>73,059</u>	<u>-</u>
		10,67,671	7,18,320
TOTAL		<u>12,57,991</u>	<u>9,08,640</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 1

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

As per our separate Audit Report of Even Date Attached

For SEKHRI KANODIA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 109389W

Ajay Sekhri - Partner
MEMBERSHIP NO. : 032103

PLACE: **MUMBAI**
DATE: **25/05/2016**

FOR BAMA INFOTECH PRIVATE LIMITED

Manish Shah
Director
DIN:- 00434171

Ulka Shah
Director
DIN:- 00434277

PLACE: **MUMBAI**
DATE: **25/05/2016**

BAMA INFOTECH PRIVATE LIMITED
(CIN: U30007MH2000PTC123495)

Statement of Profit and Loss for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015)

Particulars	Note No	AS ON 31/03/2016 (Rs.)	AS ON 31/03/2015 (Rs.)
REVENUE FROM OPERATION			
Sales		8,50,000	1,45,000
Other Income	12	4,75,000	-
TOTAL REVENUE		<u>13,25,000</u>	<u>1,45,000</u>
EXPENSES			
Purchase		7,31,850	63,888
Direct Expenses		28,760	5,035
Employee Benefit expenses	13	80,917	54,114
Other expenses 14		96,931	42,274
TOTAL EXPENSES		<u>9,38,458</u>	<u>1,65,311</u>
PROFIT BEFORE TAX		<u>3,86,542</u>	<u>(20,311)</u>
Tax expense:			
(1) Current tax		1,19,441	8,530
(2) Deferred tax		-	-
PROFIT AFTER TAX		<u>2,67,100</u>	<u>(28,841)</u>
EARNING PER EQUITY SHARE			
(1) Basic		26.71	N.A.
(2) Diluted		26.71	N.A.

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 1

Note :- The notes referred to above are an integral part of the financial Statement

As per our separate Audit Report of Even Date Attached

For SEKHRI KANODIA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 109389W

Ajay Sekhri - Partner

MEMBERSHIP NO. : 032103

PLACE: **MUMBAI**

DATE: **25/05/2016**

FOR BAMA INFOTECH PRIVATE LIMITED

Manish Shah

Director

DIN:- 00434171

Ulka Shah

Director

DIN:- 00434277

PLACE: **MUMBAI**

DATE: **25/05/2016**

Universal Arts limited

'Cash flow statement for the year ended 31st, March 2016 (Previous Year 01/07/2014 to 31/03/2015)

Particulars	AS ON 31/03/2016 (Rs.)	AS ON 31/03/2015 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	267	19
Adjustment for		
Depreciation	-	-
Operating profit before working capital charges	<u>267</u>	<u>19</u>
Adjustment for		
(Increase)/Decrease in current Assets		
Loans & Advances	(73)	(18)
Trade and other receivable	-	94
Inventories	-	-
Increase/(Decrease) in current liabilities		
Trade payables	61	-
Other Current Liabilities	21	6
Net cash used in operating activities (A)	<u>276</u>	<u>101</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	-	-
Sale/(Purchase) of Investment	-	-
Net cash used in investing activities (B)	<u>-</u>	<u>-</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans	-	-
Net cash used in financing activities (C)	<u>-</u>	<u>-</u>
NET INFLOW (OUTFLOW) [A+B+C]	<u><u>276</u></u>	<u><u>101</u></u>
D NET INCREASES IN CASH & CASH EQUIVALENTS		
Cash & Cash equivalents opening balance	243	142
Cash & Cash equivalents closing balance	519	243
	<u>276</u>	<u>101</u>

As per our report of even date

For SEKHRI KANODIA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 109389W

Ajay Sekhri - Partner

MEMBERSHIP NO. : 032103

PLACE: **MUMBAI**

DATE: **25/05/2016**

FOR BAMA INFOTECH PRIVATE LIMITED

Manish Shah

Director

DIN:- 00434171

Ulka Shah

Director

DIN:- 00434277

PLACE: **MUMBAI**

DATE: **25/05/2016**

Note 1 :- Notes forming part of the Financial Statements for the year ended 31-03-2016**Corporate Information**

Bama Infotech Private Limited is a Company incorporated on 05/01/2000 under the Companies Act 1956 and is a 100% subsidiary of Listed Company Universal Arts Limited. The Company is in the business of investment in shares and dealing in doordarshan rights of films. The registered office of the Company is located in Mumbai.

Summary of Significant Accounting Policies as at 31st March 2016**Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013 and the RBI guidelines/regulations to the extent applicable.

Investments

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

Investments have been valued at cost and no provision has been made in the accounts for the depreciation in value of investments because the same are held on long term basis and the management is of the opinion that the said depreciation is of temporary in nature.

Revenue Recognition

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

Taxation

Income-tax expenses comprises of current tax and deferred tax charge or credit. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets are recognized only if there is sufficient evidence that future taxable income will be available.

PARTICULARS	As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
Note 2 : SHARE CAPITAL		
A) Authorised, Issued, Subscribed and paid up Share Capital		
and par value per share		
Authorised Share Capital		
10,000 Equity Shares of Rs. 10/- each	1,00,000	1,00,000
TOTAL	1,00,000	1,00,000
Issued, subscribed and Paid up Share Capital		
10,000 Equity Shares of Rs. 10/- each fully paid up	1,00,000	1,00,000
TOTAL	1,00,000	1,00,000
B) Shares in the Company held by each shareholder holding more than 5% shares		
Name of the Shareholder	No. of shares held in the company	No. of shares held in the company
Universal Arts Limited	10,000	10,000
TOTAL	10,000	10,000

Universal Arts limited

Notes forming part of the Financial Statements for the period ended on 31-03-2016 (Previous Year 01/07/2014 to 31/03/2015)

Note 3: RESERVES & SURPLUS

Profit & Loss Account

Balance as per previous Balance sheet	(85,33,912)	(85,05,071)
Add/(Less) : During the year	2,67,100	(28,841)
Closing Balance	(82,66,811)	(85,33,912)
TOTAL	(82,66,811)	(85,33,912)

Note 4 : LONG TERM BORROWINGS

Bonds and Debentures

9000 Zero % Fully Convertible Debentures of Rs 1000 Each	90,00,000	90,00,000
TOTAL	90,00,000	90,00,000

Note 5 : TRADE PAYABLE

Sundry Creditors	3,76,350	3,15,000
TOTAL	3,76,350	3,15,000

Note 6 : OTHER CURRENT LIABILITIES

Audit Fees Payable	20,602	9,152
Outstanding Expenses	10,000	10,000
TDS Payable	17,850	8,400
TOTAL	48,452	27,552

Note 7 : NON CURRENT INVESTMENT

Long Term Investment		
Trade		
Equity Shares (Quoted and fully paid-up)		
Cadila Healthcare Limited	82,500	82,500
330 equity shares of Rs. 10/- each fully paid up		
Arms Paper Limited	7,200	7,200
1200 equity shares of Rs. 10/- each fully paid up		
Cyberwave Infrastructure Limited	8,250	8,250
825 equity shares of Rs. 10/- each fully paid up		
GDR Media Limited	323	323
10 equity shares of Rs. 10/- each fully paid up		
Kirlosker Multimedia	190	190
100 equity shares of Rs. 10/- each fully paid up		
Krisn Informations Technologies Limited	71,890	71,890
7189 equity shares of Rs. 10/- each fully paid up		

Notes forming part of the Financial Statements for the period ended on 31-03-2016 (Previous Year 01/07/2014 to 31/03/2015)

Virgo Golbal Media Limited 100 equity shares of Rs. 10/- each fully paid up	305	305
Sibar Software Limited 200 equity shares of Rs. 10/- each fully paid up	400	400
Top Telemedia Limited. (FV Rs. 10/-) 10 equity shares of Rs. 10/- each fully paid up	85	85
Top Media Limited 100 equity shares of Rs. 10/- each fully paid up	140	140
Vision Cinemas Limited 50 equity shares of Rs. 10/- each fully paid up (Market Value as on 31-03-2015 Rs 6,64,849/-) (Market Value for previous years Rs. 3,70,388/-)	338	338
TOTAL	1,71,621	1,71,621

Note 8 : LONG TERM LOANS AND ADVANCESBalance with Government Authorities

TDS A Y 2014-15	729	729
TDS A Y 2015-16	17,970	17,970
TOTAL	18,699	18,699

Note 9 : TRADE RECEIVABLES

A) Trade Receivables considered good outstanding for more than six months from the date they became due for payment :	4,40,156	4,40,156
TOTAL	4,40,156	4,40,156

Note 10 : CASH AND CASH EQUIVALENTS

A) Balances with Banks Cash at Bank (in current A/c)	1,87,405	71,916
B) Cash in hand	3,32,051	1,71,248
TOTAL	5,19,456	2,43,164

Note 11 : SHORT TERM LOANS AND ADVANCES

Balance with Government Authorities TDS A Y 2016-17	73,059	-
TOTAL	73,059	-

Universal Arts limited

Notes forming part of the Financial Statements for the period ended on 31-03-2016 (Previous Year 01/07/2014 to 31/03/2015)

Note 12 : OTHER INCOME		
Commission Income	1,60,000	-
Sundry Balance Write off	3,15,000	-
TOTAL	4,75,000	-

Note 13 : EMPLOYEE BENEFIT EXPENSES

Salaries and wages, bonus, gratuity and allowances;		
Salary, Bonus & Exgratia	75,500	50,000
<u>Staff Welfare Expenses</u>		
Staff Welfare Expenses	5,417	4,114
TOTAL	80,917	54,114

Note 14 : OTHER EXPENSES

Account Writing Charges	20,000	-
Bank Charges	169	357
Rates and Taxes other than taxes on income	1,040	2,100
Payment to statutory auditors		
As Audit Fees	11,450	8,427
Conveyance	5,395	4,197
Books and periodicals	6,673	4,737
Demat Charges	1,718	1,685
Miscellaneous Expenses	5,544	3,586
Professional Fees	25,000	5,000
Postage and telegram	6,866	4,201
Printing and stationary	4,340	3,202
Telephone, telex and fax charges	5,662	4,781
Swachh Bharat Cess	3,075	-
TOTAL	96,931	42,274

Note 15 : REGULATION OF MSME ACT, 2006

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

Note 16 : RELATED PARTY DISCLOSURE

Transaction with Related party

Particulars	Amount	Amount
Goldmine Telefilms Pvt Ltd- Purchase of Film	7,31,850	63,888
Goldmine Telefilms Pvt Ltd- Commission Income	1,60,000	-

Notes forming part of the Financial Statements for the period ended on 31-03-2016 (Previous Year 01/07/2014 to 31/03/2015)

Note 17 : 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.

As per our separate Audit Report of Even Date Attached

For SEKHRI KANODIA & ASSOCIATES

Chartered Accountants
Firm Reg. No. 109389W

Ajay Sekhri - Partner

MEMBERSHIP NO. : 032103

PLACE: **MUMBAI**

DATE : **25/05/2016**

FOR BAMA INFOTECH PRIVATE LIMITED

Manish Shah

Director

DIN:- 00434171

PLACE: **MUMBAI**

DATE : **25/05/2016**

Ulka Shah

Director

DIN:- 00434277

INDEPENDENT AUDITORS' REPORT

To

The Members of

Universal Arts Limited (Formerly known as Goldmine Media Limited)

CIN: - L22300MH1995PLC091082

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **UNIVERSAL ARTS LIMITED** (Formerly known as Goldmine Media Limited) ("the Company") and its subsidiary **BAMA INFOTECH PRIVATE LIMITED** ("Subsidiary Company") (collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at March 31st, 2016, and the consolidated statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS.

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the act') that give a true and fair view of the consolidated financial position and consolidated financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY.

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 aforesaid consolidated 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 of the consolidated state of affairs of the Company as at 31st March 2016 and their consolidated Loss.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by section 143(3) of the Act, we further report that to the extent applicable that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated

- financial statements have been kept so far as it appears from our examination of those books;
- c) the consolidated Balance Sheet, the consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016, from being appointed as a director of that Company in terms of Section 164(2) of the Act
 - f) with respect to adequacy of the internal controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". and
 - g) we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company and subsidiary companies incorporated in India does not have any pending litigations which would impact the consolidated financial position of the Group
 - ii. The Holding Company and subsidiary companies incorporated in India did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

For Sekhri Kanodia & Associates

Chartered Accountants
Firm No. 109389W

Ajay Sekhri-Partner

Membership No 032103

Place: **Mumbai**

Date: **25/05/2016**

Annexure A referred to in paragraph 1 Our Report of even date to the members of UNIVERSAL ARTS LIMITED on the accounts of the company for the year ended 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **UNIVERSAL ARTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary Company, which are Companies incorporated in India are responsible for establishing and maintaining internal financial controls in accordance with Rule 8 (5) (viii) of the Companies (Accounts) Rule, 2014 and essential components of internal control stated in the guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Universal Arts limited

Auditors' Responsibility

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Company are being made only in accordance with authorizations of management and directors of Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary Company, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Sekhri Kanodia & Associates

Chartered accountants
Firm Reg. No. : 109389W

Ajay Sekhri - Partner

Membership No. : 032103

Place : Mumbai
Date : 25/05/2016

UNIVERSAL ARTS LIMITED
(Formerly Known as Goldmines Media Limited)
CIN:- L22300MH1995PLC091082

Consolidated Balance Sheet as on 31st, March 2016

Particulars	Note No	AS ON 31/03/2016 (Rs.)	AS ON 31/03/2015 (Rs.)
A.EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	2	9,98,72,030	9,98,72,030
b. Reserves and Surplus	3	(2,69,35,638)	(2,13,47,228)
2. CURRENT LIABILITIES			
a. Trade Payables	4	48,76,350	3,15,000
c. Other Current Liabilities	5	7,07,071	4,09,951
TOTAL		<u><u>7,85,19,813</u></u>	<u><u>7,92,49,753</u></u>
II.ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	6		
i. Tangible Assets		5,90,254	7,29,686
ii. Intangible Assets		-	44,90,000
b. Non Current investments	7	1,71,621	1,71,621
c. Long term loans and advances	8	7,05,299	7,87,381
2. CURRENT ASSETS			
a. Inventories		35,000	35,000
b. Trade receivables	9	74,54,156	2,56,12,156
c. Cash and cash equivalents	10	6,30,08,448	4,11,95,939
d. Short-term loans and advances	11	65,55,035	62,27,970
TOTAL		<u><u>7,85,19,813</u></u>	<u><u>7,92,49,753</u></u>

Summary of Significant Accounting policies

1

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

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

AJAY SEKHRI
PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389W
PLACE: **MUMBAI**
DATE : **25/05/2016**

MANISH SHAH
MANAGING DIRECTOR
DIN:- 00434171

ULKA SHAH
DIRECTOR
DIN: 00434277

PLACE: **MUMBAI**
DATE : **25/05/2016**

UNIVERSAL ARTS LIMITED
(Formerly Known as Goldmines Media Limited)
CIN:- L22300MH1995PLC091082

Consolidated Statement of Profit and Loss for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

Particulars	Note No	AS ON 31/03/2016 (Rs.)	AS ON 31/03/2015 (Rs.)
I. Revenue from operations			
Sales		74,80,000	4,70,43,750
Liasoning Charges		20,00,000	-
II. Other Income 12		5,74,590	26,614
III. Total Revenue (I +II)		<u>1,00,54,590</u>	<u>4,70,70,364</u>
Expenses:			
Purchase of Stock-in-Trade		63,31,850	3,71,60,000
Employee Benefit expenses	13	24,08,817	16,24,868
Depreciation and amortization expense		1,39,432	1,93,802
Other expenses	14	66,43,459	58,97,390
IV.Total expenses		<u>1,55,23,558</u>	<u>4,48,76,060</u>
Profit Before Taxes		<u>(54,68,968)</u>	<u>21,94,304</u>
Tax expense:			
(1) Current tax		1,19,441	2,55,491
(2) Deferred tax		-	-
		<u>1,19,441</u>	<u>2,55,491</u>
Profit After Taxes		<u>(55,88,409)</u>	<u>19,38,813</u>
Earnings Per Share			
(1) Basic		N.A.	0.19
(2) Diluted		N.A.	0.19

Summary of Significant Accounting policies

1

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

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

AJAY SEKHRI
PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389W

MANISH SHAH
MANAGING DIRECTOR
DIN:- 00434171

ULKA SHAH
DIRECTOR
DIN:- 00434277

PLACE: **MUMBAI**
DATE : **25/05/2016**

PLACE: **MUMBAI**
DATE : **25/05/2016**

Notes forming part of the Consolidated Financial Statements for the period ended on 31/03/2016
NOTE 1:-SIGNIFICANT ACCOUNTING POLICIES**PRINCIPLES OF CONSOLIDATION:**

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

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

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

SIGNIFICANT ACCOUNTING POLICIES**1. Basis of preparation of Financial Statements**

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013 and the RBI guidelines/regulations to the extent applicable.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The Difference between the actual and estimate are recognized in the period in which results are known/materialized.

2. Fixed Assets and Depreciation

- a) Fixed assets stated at cost less accumulated depreciation.
- b) As per the newly amended Companies Act, 2013 company is required to charge Depreciation on fixed assets on the basis of useful life of assets and as per Schedule II of the said Act. Further as per guidance note issued by ICAI, depreciation rate is calculated for existing assets considering its residual value and remaining useful life and depreciation on such assets is charged on written down value method.

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;

Universal Arts limited

Notes forming part of the Financial Statements for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

- 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. 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	31-03-2016.	31-03-2015.
	(Rs.)	(Rs.)
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 Rs. 10/- Each	11,00,00,000	11,00,00,000
TOTAL	11,00,00,000	11,00,00,000
Issued and Subscribed Share Capital		
1,00,00,800 Equity Share of Rs. 10/- Each	10,00,08,000	10,00,08,000
TOTAL	10,00,08,000	10,00,08,000
Paid Up Capital		
99,69,900 Equity Share of Rs. 10/- each fully paid up	9,96,99,000	9,96,99,000
Add: Forfeited shares (Amount Originally paid on 30900 Shares)	1,73,030	1,73,030
TOTAL	9,98,72,030	9,98,72,030

Notes forming part of the Financial Statements for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

Note 3: RESERVES & SURPLUS		
Capital Reserve	43,25,720	43,25,720
Profit & Loss Account		
Balance as per previous Balance sheet	(2,56,72,948)	(2,64,32,719)
Add/(Less) : During the year	(55,88,410)	8,25,106
Less : Balance of Assets whose useful life as per Schedule II is over	-	(65,335)
Closing Balance	(3,12,61,358)	(2,56,72,948)
TOTAL	(2,69,35,638)	(2,13,47,228)
Note 4: TRADE PAYABLE		
Sundry Creditors	48,76,350	3,15,000
TOTAL	48,76,350	3,15,000
Note 5 : OTHER CURRENT LIABILITIES		
Outstanding Expenses	7,07,071	4,09,951
TOTAL	7,07,071	4,09,951
Note 7 : NON CURRENT INVESTMENT		
INVESTMENTS (Non-trade, Long term at cost)		
In Equity Shares (Quoted & fully paid up)	1,71,621	1,71,621
TOTAL	1,71,621	1,71,621
NOTE 8:- LONG TERM LOANS AND ADVANCES		
i. Security Deposits		
Reliance Energy Limited	50,450	51,450
ii. Balances with Government Authorities		
T.D.S. - A.Y.2005-2006	1,03,616	1,03,616
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 AY 2012-2013	45,443	45,443
T.D.S. - A.Y.2013-2014	-	-
T.D.S. - A.Y.2014-2015	729	4,91,781
T.D.S. - A.Y.2015-2016	17,970	17,970
VAT / CST Part Payment against pending disputes	-	-
- CST 2005-06	2,00,000	-
- VAT 2006-06	2,00,000	-
TOTAL	7,05,299	7,87,381

NOTE 6 : FIXEDASSETS

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

TANGIBLE

Sr	Description	Gross Carrying Amount		Accumulated Depreciation				Accumulated Impairment			Net Carrying Amount			
No.	As on 31-03-2015	Additional adjustment during the year	Deductions during the year	As on 31-03-2015	Provided during the year	Deductions during the year	As on 31-03-2016	Reversed during the year	Provided during the year	As on 31-03-2015	As on 31-03-2016			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=(1)-(5)-(9)	(14)=(4)-(8)-(12)
1	Building	7,50,000	-	-	7,50,000	1,59,307	12,608	1,71,915	-	-	-	-	5,90,693	5,78,085
2	Plant and Machinery	20,57,400	-	-	20,57,400	19,18,407	1,26,824	20,45,231	-	-	-	-	1,38,993	12,169
	TOTAL	28,07,400	-	-	28,07,400	32,54,503	1,39,432	22,17,146	-	-	-	-	7,29,686	5,90,254

INTANGIBLE

Sr	Description	Gross Carrying Amount		Accumulated Depreciation				Accumulated Impairment			Net Carrying Amount			
No.	As on 31-03-2015	Additional Deductions during the year	during the year	As on 31-03-2015	Provided during the year	Deductions during the year	As on 31-03-2016	Reversed during the year	Provided during the year	As on 31-03-2015	As on 31-03-2016			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=(1)-(5)-(9)	(14)=(4)-(8)-(12)
1	Portal & Content Right	14,75,230	-	-	14,75,230	14,75,230	-	14,75,230	-	-	-	-	-	-
2	Intangible Asset & Development	44,90,000	-	-	44,90,000	-	-	-	-	-	-	-	44,90,000	-
	TOTAL	59,65,230	-	-	44,90,000	14,75,230	-	14,75,230	-	-	-	-	44,90,000	-

Notes forming part of the Financial Statements for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

Note 9 : TRADE RECEIVABLES		
Trade Receivables outstanding for more than six months from the date they became due for payment :		
Unsecured considered good	5,12,156	4,40,156
Other Trade receivable		
Unsecured considered good	69,42,000	2,51,72,000
TOTAL	74,54,156	2,56,12,156
Note 10 : CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
Cash at Bank (in current A/c)	6,25,20,463	1,94,608
Other Bank Balances: FDR	-	4,08,00,000
B) Cash in hand		
	4,87,985	2,01,331
TOTAL	6,30,08,448	4,11,95,939
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	37,10,000	37,10,000
Sub Total	37,10,000	37,10,000
b. Loans and Advances to others		
Unsecured Considered Good	51,500	-
Sub Total	51,500	-
c. Advance for Films		
Advance for Films	25,00,000	25,00,000
Sub Total	25,00,000	25,00,000
d. Balance with Government Authorities		
TDSAY 2016-17	2,93,535	17,970
Sub Total	2,93,535	17,970
TOTAL	65,55,035	62,27,970
Note 12 : OTHER INCOME		
Interest Income	99,590	26,614
Commission Income	1,60,000	
Sundry Balance Write off	3,15,000	
TOTAL	5,74,590	26,614

Universal Arts limited

Notes forming part of the Financial Statements for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

Note 13 : EMPLOYEE BENEFIT EXPENSES		
Salaries and wages, bonus, gratuity and allowances;		
Salary, Bonus & Exgratia	22,91,558	15,41,973
<u>Staff Welfare Expenses</u>		
Staff Welfare Expenses	1,17,259	82,895
TOTAL	24,08,817	16,24,868
Note 14 : OTHER EXPENSES		
Direct Expenses	80,550	67,226
Account Writing Charges	20,000	
Advertising Expenses	61,662	42,891
Audit Fees	43,370	33,319
AGM Expenses	25,014	21,850
Annual Charges	63,897	35,209
Books and Periodicals	36,608	18,934
Business Promotion expenses	1,09,856	99,393
Electricity charges	1,94,090	1,41,230
Conveyance Expenses	2,26,802	1,47,383
Demat Charges	1,718	1,685
Listing fees	2,27,453	87,360
Miscellaneous expenses	1,16,463	69,894
Office expenses	1,26,007	95,277
Postage & Telegram	1,23,366	1,16,054
Printing & Stationery	1,89,555	1,43,999
Professional Fees	1,42,806	26,250
Profession Tax	2,500	1,875
Registrar fees	61,751	44,496
Repairs & Maintenance	1,14,989	80,562
Rent, Rates & Taxes	28,640	35,036
Telephone, Telex & Courier	1,34,083	96,243
Sundry Balance w/off	44,89,999	44,90,001
Swach Bharat Cess	3,592	
Website Development Charges	17,500	
Bank Charges	1,189	1,223
TOTAL	66,43,459	58,97,390

Note 15 :-

With regards to Sundry Balance Written off - The Capital Work in progress is to be amortised in 3 years. Thus the Capital Work in progress has been amortised starting from the year 2013-14.

Notes forming part of the Financial Statements for the period ended on 31st March' 2016 (Previous Year 01/07/2014 to 31/03/2015).

Note 16 :-

There are no dues to parties registered under Micro, Small and Medium Enterprises Development Act 2006 as on 31.03.2016.

Note 17 :-

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

Note 18 :-

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

Note 19 :-

The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 31st March 2016 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 20 :-

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 21 :- Related Party Disclosure

Company in which director of the Company is Director	Nature of transaction	Amount	
Goldmines Telefilms Pvt. Ltd.	Purchase of Film	7,31,850	
Goldmines Telefilms Pvt. Ltd.	Sale of Film	65,00,000	
Goldmines Telefilms Pvt. Ltd.	Advance for Film	6,76,50,000	
Goldmines Telefilms Pvt. Ltd.	Advance for Film received back	6,76,50,000	
Company in which director of the Company is Director	Nature of transaction	Amount as on	Amount as on
		31/03/2016	31/03/2015
Rotocap Real Estate Developers Private Limited.	Advance for Film	25,00,000	25,00,000
Midastouch Holdings Private Limited.	Loan Given	37,10,000	37,10,000
As per our separate Audit Report of Even Date Attached			

FOR SEKHRI KANODIA & ASSOCIATES
CHARTERED ACCOUNTANTS

AJAY SEKHRI
PARTNER
MEMBERSHIP NO. 032103
FIRM NO. 109389W

PLACE: MUMBAI
DATE : 25/05/2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MANISH SHAH
MANAGING DIRECTOR
DIN:-00434171

ULKASHAH
DIRECTOR
DIN:- 00434277

PLACE: MUMBAI
DATE : 25/05/2016

Universal Arts limited

Statement pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rule 2014 in the prescribed Form AOC-1 relating to subsidiary companies:

a) Name	: BAMA INFOTECH PRIVATE LIMITED
b) Country	: India
c) Reporting Currency	: INR
d) Exchange Rate	: 1.00
e) Share Capital (including advances towards capital	: 1,00,000
f) Reserves & Surplus	: (8,266,811)
g) Total Assets	: 1,257,991
h) Total Liabilities	: 1,257,991
i) Turnover	: 8,50,000
j) Profit / (Loss) before Tax	: 386,542
k) Tax Expenses / credit	: 119,441
l) Profit / (Loss) After Tax	: 267,100
m) Proposed Dividend	: Nil
n) Investment (except in case of Investment in the Subsidiary Companies)	: Nil
o) % of Holding	: 100%

By Order of the Board of Directors

Sd/-

Place: **Mumbai**

Date : **August 08, 2016**

Manish G. Shah
Managing Director

UNIVERSAL ARTS LIMITED

Registered Office: Plot No. 45, First Floor, GanapatiBhavan, M. G. Road, Goregaon West, Mumbai 400 062

CIN : L22300MH1995PLC091082 website: www.universalarts.in, Tel. No. 022 27849001

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id* : _____

Folio No. _____

Client ID* : _____

No. of Shares held _____

(*Applicable for investors holding shares in electronic form)

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company held on Friday, 30th September, 2016 at 12 Noon at **Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (W), Mumbai - 400062.**

Name of the Shareholder: _____

And Joint Shareholder(s): _____

(In Block Letters) _____

Address: _____

Name of the Proxy: _____

(to be filled only when a proxy attends the meeting)

Signature of Proxy

Signature of Shareholder/ Joint holder

Note:

Please fill the attendance slip and hand it over to the Registration counter at the venue.

Instruction for E-voting:

Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 21st Annual General Meeting of the Company to be held on Friday, 30th September, 2016. For this purpose, necessary arrangements have been made with the Central Depository Services Limited (“CDSL”) to facilitate e-voting. E-Voting is optional to shareholders. The Company has appointed Shri Vishal N Manseta, Practising Company Secretary as the Scrutiniser for conducting the e-voting process in a fair and transparent manner.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 27th September, 2016 @ 9:30 A.M. and ends on 29th September, 2016 @ 5:00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

(B) The voting period begins on 27th September, 2016 @ 9:30 A.M. and ends on 29th September, 2016 @ 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

UNIVERSAL ARTS LIMITED

CIN : L22300MH1995PLC091082

Registered Office: Plot No. 45, First Floor, GanapatiBhavan, M. G. Road.Goregaon (West), Mumbai 400 062.

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: UNIVERSALARTS LIMITED
CIN	: L22300MH1995PLC091082
Registered Office	: Plot No. 45, First Floor, GanapatiBhavan, M. G. Road.Goregaon (West), Mumbai 400 062.

Name of the Member(s) :
Registered Address:
E-mail Id :
Folio No./Client ID :
DP ID :

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1.	Name		
	Address		
	E-mail ID Or Failing him	Signature	
2.	Name		
	Address		
	E-mail ID Or Failing him	Signature	
3.	Name		
	Address		
	E-mail ID	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on the September 30, 2016 At 12 Noon at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (W), Mumbai - 400062 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions
1	To receive, consider and adopt the Audited Financial Statements of the Company on a Standalone and Consolidated basis for the period ended on 31st March, 2016 including the Balance Sheet as at that date, Statement of Profit & Loss account for the period ended on that date and in the reports of the Auditors and Directors thereon;
2	To appoint a Director in place of Mr.Sandeep Poddar (DIN: 01587867) who retires by rotation at this meeting offers himself and being eligible for re-appointment;
3	To appoint M/s. Ajay Sekhri & Co. (Firm Regn. No. 140181W) as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held for the year ended March 31, 2021, subject to ratification in every Annual General Meeting held during such period and to pass the resolution mentioned in the notice with or without modification.

Signed this _____ day of _____, 2016

Signature of Member _____

Proxy holder(s) Signature _____

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