

ANNUAL REPORT
OF

UNIVERSAL MULTIMEDIA LIMITED

2002 - 2003

UNIVERSAL MULTIMEDIA LIMITED

ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS :

Vimal Joshi
D. N. Jha
Ashish Chowdhury

AUDITORS :

Basu Bimal Kumar
Add : Suit C/1, Aswini Dutta Road,
Kolkata - 700 029.

BANKERS :

Standard Chartered Bank
N. S. Road,
Kolkata.

ABN Amro Bank
18A, Brabourne Road,
Kolkata.

REGISTERED OFFICE :

P-27, Princep Street,
3rd Floor,
Kolkata - 700 072.

CONTENTS :

Notice	—	2
Director's Report	—	3-4
Reprot of Corporate Governance	—	5-17
Auditor's Report	—	18-19
Balance Sheet	—	20
Profit & Loss A/c	—	21
Schedule	—	22-29
Cash Flow Statement	—	30

UNIVERSAL MULTIMEDIA LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of UNIVERSAL MULTIMEDIA LTD. will be held at, P-27, Princep Street, 3rd Floor, Kolkata - 700 072. on 30th September 2003 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt and Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shi Ashish Choudhury, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the Company and to fix their remuneration.

By the Order of the Board

For VIMAL JOSHI
DIRECTOR

Registered Office
P-27, Princep Street, 3rd Floor
Kolkata - 700 072

Date : The 3rd day of August, 2003

Notice :

1. A member entitled to attend a vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.
2. The Register of Beneficial Owners, Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2003 to 30th September, 2003 (Both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Shares Department at P-27, Princep Street, 3rd Floor, Kolkata - 700 072.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Registered Office
P-27, Princep Street, 3rd Floor
Kolkata - 700 072

Date : The 3rd day of August, 2003

UNIVERSAL MULTIMEDIA LIMITED

DIRECTOR REPORT

TO THE MEMBERS OF UNIVERSAL MULTIMEDIA LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report of the Company together with Audited Annual Accounts for the year ended 31st March, 2003.

REVIEW OF OPERATION

We would like to draw your attention to the following figures which will speak about the performance of the Company for the year ended on 31st March, 2003.

FINANCIAL RESULTS :	AS AT 31.03.2003	AS AT 31.03.2002
Total Income	(7,72,997.44)	(4,37,320.00)
Less : Depreciation	(3,953.00)	(4,591.00)
Profit/(Loss) After Depreciation & Taxation	(7,76,950.44)	(4,41,911.00)
Deferred Tax adjustment	1,53,062.00	9,10,164.00
Add : Balance brought forward from Previous year	(20,98,828.16)	(25,67,081.16)
Balance of Loss carried over to Balance Sheet	(27,22,716.60)	(20,98,828.16)

DIVIDEND :

In view of losses incurred by the Company, your Directors do not propose any dividend for the current year.

DIRECTORS :

In terms of provisions of the Companies Act, 1956 and the Article of Association of the Company, Mr. Ashish Choudhury, retires by rotation and being eligible offer himself for re-appointment to the office of Director.

AUDITORS :

M/s. Basu Bimal Kumar, Chartered Accountants, statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible have signify their consent to be re-appointed as Auditors of the Company.

PARTICULARS OF EMPLOYEES :

A Statement giving information about employees of the Company pursuant to Section 217(2A) of the Companies Act, we mention that there was no employees receiving the remuneration more than the specified limit.

AUDITOR REPORT :

The observation of the Auditors in their Report have been explained in this report and the Notes to the Accounts.

CORPORATE GOVERNANCE :

As report on Corporate Governance alongwith a Certificate from the auditors is enclosed a Annexure and forms a part of this report.

FOREIGN EXCHANGE

The Company had no foreign exchange outflow in how during the year under review.

UNIVERSAL MULTIMEDIA LIMITED

STATUTORY INFORMATION :

The Company being basically in the financial sector, requirement, regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is **not applicable**.

AUDIT COMMITTEE :

Pursuant to Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement the Board has constituted the Audit Committee comprising of the following Directors as its members :

1. **Shri Vimal Joshi**
2. **Shri D. N. Jha**
3. **Shri Ashish Chowdhury**

DIRECTORS, RESPONSIBILITY STATEMENT U/S.217(2AA) OF THE COMPANIES ACT, 1956

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures :
- (ii) That the directors has selected such accounting policies and applied them consistently and made judgements and estimates that are reason able and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

Yours Directors acknowledge their sincere regards to all who have extended their co-operation and dure support and is thankful to itswell-wishers and friends whose support is motivating and Company to carry on its day to day affairs and meet the forthcoming challenges.

For and on behalf of the Board

With warm regards to all,

Place : Kolkata
Date : 03.08.2003

Sd/- Vimal Joshi
(Chairman)

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance

1. CORPORATE GOVERNANCE

The Company defines Corporate Governance as set of Standards which aims to improve the working of the Company, and establishes the integrity and accountability of the management. It is a system by which companies are directed and controlled. The main focus is to give more protection to investory by making management more responsible, and to bring transparency to the activities of the Company. The principle characteristics of Corporate Governance are transparency, responsibility, accountability, trusteeship and fairness. It helps to improve the Company's image, efficiency, and effectiveness.

The Company is committed to good Corporate Governance which aims to protect the interest of its stakeholders. The Company provides information on various issues concerning the Company's business and financial performance to its shareholders.

BOARD OF DIRECTORS

(a) Composition of the Board

The Composition of the Board of Directors of the Company consists of qualified executive and non executive directors. The Board is based and comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors as on 30th July, 2003 is as follows :

Sr. No.	Name of the Director	Executive/Non-Executive	No. of Other	
			Directorship memberships	Committee
1.	Shri Vimal Joshi	Non-Executive	12	1
2.	Shri Dhruv Narayan Jha	Non-Executive & Independent	8	2
3.	Shri Ashish Chowdhury	Non-Executive & Independent	—	—

- b. No Changes in the composition of the Board of Directors since last Annual General Meeting.
- c. Details of sitting fees, remuneration etc., paid to Directors No remuneration has been paid to any Director during the year.
- d. **Board Meeting held in the Financial Year 2002-2003 and attendance of Directors. The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. During the year under review, 7 (Seven) Board meetings were held on 29th April 2002, 30th June 2002, 31st July 2002, 3rd August 2002, 31st October 2002, 30th January 2003 and 30th March 2003.**

3. DIRECTORS INTEREST IN THE COMPANY.

Non of the directors received any loan and advances from the Company during the year.

* Attendance of each director at the BOD meetings and the last AGM.

Director	No. of Meetings		Attendance at last AGM-Held on 30th September 2002
	Held	Attended	
Shri Vimal Joshi	7	7	Yes
Shri Dhruv Narayan Jha	7	7	Yes
Shri Ashish Chowdhury	7	5	No

UNIVERSAL MULTIMEDIA LIMITED

COMMITTEES OF DIRECTORS

In accordance with requirements of the Listing Agreement with the Stock Exchanges on Corporate Governance following 2 committees were operational during the year.

(a) Audit Committee

(b) Share Transfer and Investors Grievance Committee.

a. Audit Committee

The Company set up its Audit Committee in May 2002. The present Audit Committee of the Board of Directors fulfils the requirements of Section 292(A) of the Companies Act, 1956 as well as the Listing Agreement. The Audit Committee of the Company consists of 3 directors. During the financial year 2002-2003 the Audit Committee met 4 (Four) times on 29th April, 2002, 31st July 2002, 31th October 2002 and 30th January 2003.

The composition of the Audit Committee and the attendance of each director at this meeting was as follows :

Sr. No.	Members of Audit Committee	No. of Meetings held	No. of Meetings attended
1.	Shri Vimal Joshi	4	4
2.	Shri Dhruv Narayan Jha	4	4
3.	Shri Ashish Chowdhury	4	3

Audit Committee is responsible for reviewing with the management the annual financial statement before submission to the Board. The main function of Audit Committee is to supervise the companies financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct.

SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

The Company set up its Share Transfer and Investors Grievance Committee in 2002. The Company has in house transfer system for physical shares. The Committee deals with the various matters relating to

- transfer/transmission of shares/debentures
- issue of duplicate share certificate.
- review of shares dematerialised and all other related matters.
- monitors expeditious redressal of investors, grievances.
- all other matters related to shares/debentures.

Two meetings were held during the Financial Year on 16th July 2002, and 15th February, 2003.

The composition of the committee and the number of meetings attended by each of the members are as under :-

Sr. No.	Members of Share Transfer and Investors Grievance Committee	No. of Meetings attended
1.	Shri Vimal Joshi	2
2.	Shri Dhruv Narayan Jha	2
3.	Shri Ashish Chowdhury	2

As required by the Listing agreement with the Stock Exchnages, Pushpal Chandra has been appointed as 'Compliance Officer' to monitor the share transfer process.

UNIVERSAL MULTIMEDIA LIMITED

The Status of investors Queries/complaints received during the year is as under :

No. of Investors queries/complaints received during the year ended 31.03.03	Pending at the end of the year	No. of pending Share transfer
NIL	NIL	NIL

REMUNERATION COMMITTEE

Since the Company has not provided remuneration to any Director. No remuneration committee was constituted.

ANNUAL GENERAL MEETING

* Location and time, where has three AGMs held.

Year	Date	Place	Time
2002	30.09.2002	P-27, Princep Street, 3rd Floor Kolkata - 700 072	11.00 a.m.
2001	29.09.2001	P-27, Princep Street, 3rd Floor Kolkata - 700 072	11.00 a.m.
2000	30.09.2000	1A, Raja Subodh Mullick Square Kolkata - 700 013.	10.30 a.m.

* Whether special resolutions were put through postal ballot last year, details of voting pattern.
No special resolutions were put through postal ballot last year, as the situation did not arise.

DISCLOSURES

(a) Disclosures on materially significant related party transactions.

There were no materially significant related party transactions during the year having conflict with the interest of the Company.

(b) Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter related to capital markets.

The Company has complied with all requirements of the listing agreement with the Stock exchanges as well as regulations and guidelines of SEBI except payment of listing fees to Mumbai, Ahmedabad, Jaipur, Kolkata and Delhi Stock Exchanges and numbered. No penalties or any statutory authorities on matters relating to capital market during the last three years.

MEANS OF COMMUNICATION

The Board of Directors of the Company approves and take on record Un-audited financial results in the proforma prescribed by the stock exchange, within one month of the close of the every quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, within time period stipulated from time to time by stock exchanges. The quarterly Un-Audited Financial Results are published in leading newspaper i. e The Financial Express (English) and Kalantar (Bengali).

GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting

Date & Time	30th September, 2003 at 11.00 a.m.
Venue	P-27, Princep Street, 3rd Floor, Kolkata - 700 072

2. Financial Calender (Tentative)

Financial reporting for the quarter ending June 30,2003	End of July, 2003
Financial reporting for the quarter ending September 30,2003	End of Oct, 2003
Financial reporting for the quarter ending December 31,2003	End of Jan, 2004
Financial reporting for the quarter ending March 31,2004	End of May, 2004
Annual General Meeting for the year ending March 31,2004	End of Sept, 2004

3 Date of Book closure	22nd September, 2003 to 30th September 2003 (both days inclusive)
4 Dividend payment Date	No Dividend is recommended by the Board

5. LISTING ON STOCK EXCHANGES AT

The Stock Exchange, Mumbai,
1st Floor, New Trading Ring,
Rotunda Bldg. P. J. Towers
Dalal Street, Mumbai - 400 023

The Jaipur Stock Exchange Ltd.
Stock Exchange Building
J. L. N. Marg, Malviya Nagar,
Jaipur - 302 017.

The Stock Exchange, Ahmedabad
Kamdhenu Complex,
Opposite of Sahajanand Collage,
Panjara Pole,
Ahmedabad - 380 015.

The Calcutta Stock Exchange
Association Ltd.,
7, Lyons Range
Kolkata - 700 001

The Delhi Stock Exchange
Association Ltd.
"DSE House"
3/1, Asaf Ali Road,
New Delhi - 110 002.

Interconnected Stock Exchange
of India Ltd.
International Infotech Park,
Tower no. 7, 5th Floor,
Vashi, Navi Mumbai - 400 703.

6. LISTING FEES PAID : The company has paid listing fees for the financial year 2002-2003 to all the Stock Exchanges where securities of the Company are listed except the Stock Exchange, at Ahmedabad, Mumbai, Delhi, Kolkata and Jaipur.

7. STOCK CODE

Name of the Exchange	Code
The Stock Exchange Mumbai	
The Calcutta Stock Exchange Association Ltd.	10023464

UNIVERSAL MULTIMEDIA LIMITED

8. Stock Market Data

*Market Price Date : High/ Low during each month in last financial year

	Calcutta Stock Exchange (CSE)	
	in Rs.	
	High	Low
April - 02	13.50	5.65
May - 02	5.65	5.65
June - 02	5.65	5.65
July - 02	6.75	4.55
Aug - 02	4.55	4.55
Sept - 02	7.20	6.05
Oct - 02	8.55	5.80
Nov - 02	5.80	5.80
Dec - 02	6.10	5.80
Jan - 03	52.00	52.00
Feb - 03	52.00	52.00
Mar - 03	55.00	11.00

9. Register and Transfer Agents :

For Physical Form	Share Department MAHESWARI DATAMATICS (P) LTD. 6, Mangoe Lane, Kolkata - 700 001
For Dematerialised Form	Maheswari Datamatics (P) Ltd. 6, Mangoe Lane, Kolkata - 700 001

10. Share Transfer System :

The Company's shares being tradable in compulsory demat form are transferable through the depository system. Share Transfers in physical form are registered and returned within statutory period if documents are clear in all respect. The share transfer committee of the Company meets as and when required.

11. Investor services - Complaints received during the year 2002-2003.

	Received	Cleared
Relating to transfer, transmission etc	25	25
Dividend	-	-
Change of Address	-	-
Demat - Remat	10	10
Others (Stop Transfer)	-	-
Total	35	35

12. Distribution of shareholding as on 31st March, 2003

No. of Equity Shares held (1)	No. of Share Holders (2)	% to total Holders (3)	No. of Shares held (4)	Value (5)	% to total Holding (6)
1-100	645	13.98	63600	636000	0.20
101-200	1159	25.12	231800	2318000	0.72
201-300	1650	35.76	495000	4950000	1.55
301-400	372	8.06	148800	1488000	0.46
401-500	66	1.43	33000	330000	0.10
501 -1000	121	2.62	111500	1115000	0.35
1001 -2000	107	2.32	166700	1667000	0.52
2001-5000	150	3.26	554900	5549000	1.73
5001-10000	82	1.78	664800	6648000	2.08
10001-50000	113	2.45	2669700	26697000	8.34
50001-100000	116	2.51	1222200	12222000	3.83
100001 & Above	33	0.71	25638400	256384000	80.12
Total	4614	100.00	32920100	329201000	100.00

13. Categories of shareholding as on 31st March, 2003

Category	No. of Share	% of share
Promoter & Associates	5024500	15.70
Private Bodies Corporate	17024700	53.20
Indian Public	9951200	31.10
Total	32000400	100.000

Note : Both in physical & electronic form.

14. Dematerialisation of shares and liquidity :

Trading in the securities of the Company is permitted only in dematerialized form with effect from October, 2000 as per notification issued by the Securities & Exchnage Board of India (SEBI).

15. Details on use of Public funds obtained in the last three years :

No funds have been raised from the public in the last 2 years.

16. Investors Correspondence :

For transfer/dematerialisation of shares and any other query relating to shares and debentures of the Company

UNIVERSAL MULTIMEDIA LTD.
P-27, Princep Street, 3rd Floor
Kolkata - 700 072

AUDITORS' CERTIFICATE

To the members of
UNIVERSAL MULTIMEDIA LIMITED

We have examined the compliance of conditions of Corporate Governance procedures implemented by Universal Multimedia Limited for the year ended on March 31, 2003, as stipulated in Clause 49 of the listing agreement of the said company with the Stock Exchange.

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

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchange have been complied with in all material respect by the Company and that no investor grievance (s) is/are pending for a period exceeding one month against the Company as per the records maintained by the State transfer and/Investors Grievance Committee.

As per our report of even date

For BIMAL KUMAR BASU
Chartered Accountants

Place : Kolkata

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)
Proprietor

Date : 03.08.2003

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT :

Your Company was engaged in the finance and investment activities during the year under review. The fiscal 2002-2003 turned out to be an extremely crisis prone and very difficult year for the country. Though the Indian Economy grew from 4 percent to 5.4 percent in the previous year. It was much below the targeted level of 8 percent. The chain effect of previous year's financial scam was felt in the capital market. Political instability and riots in Gujrat had negative impact on the capital market. The Global economy continued to go through the phase of shodown.

In this difficult scenario, your company too hard to face challenging times. your Company too hard to face challenging times. Your Company adjusted itself with the changes in market place and took several measures which resulted in improved financial performance. In spite of recessionary market conditions, the performance of the Company for the year 2002-2003 was significantly better than the previous year.

B. OPORTUNITIES, THREATS, RISKS AND CONCERNS

The political and economic environment in India is quite fluid and has its impact on the policy of the Government. Although the GDP has grown by 5.4%, it has no impact on finance industry. Recessionary conditions in the domestic and global economies appear to have toughened.

FUTURE OUTLOOK

The long term objective of the Company is to remain as strong player in the finance industry. The Company will strive to improve its position in the market place. Your Company's outlook in the near term remains positive. Based on initiatives already in place, and those under implementation, your company looks forward confidently to successfully take on completion from existing as well as new players. With the Capital market expected to be in a recovery mode during 2002-2003 and with our efforts we can look forward to a prosperous year for the company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure :

- That all assets and resources are used efficiently and are adequately protected.
- That all internal policies and statutory guidelines are complied with
- The accuracy and timing of financial reports and management information.

FINANCIAL OPERATIONAL PERFORMANCE

Please refer Board's Report on performance review.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT NUMBER OF PEOPLE EMPLOYED

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

CAUTIONARY STATEMENT

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward looking statements are based on certain assumptions and expectations of future events over which the Company exercise no control. The Company can not guarantee that these assumptions and expectations are accurate or will be realised. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

UNIVERSAL MULTIMEDIA LIMITED

AUDITOR'S REPORT

TO THE MEMBERS OF

UNIVERSAL MULTIMEDIA LIMITED

We have audited the Balance Sheet of M/s. **UNIVERSAL MULTIMEDIA LIMITED** as at 31st March, 2003 and the Profit & Loss Account of the said Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Company Law Board in terms of section 227(4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred in paragraph (1) above we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of Our Audit.
 - b. In our opinion, proper Books of Accounts as required by law have been kept by the company so far as appears from our examination of the books.
 - c. The Company's Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the Books of Accounts;
 - d. In our opinion, the Balance Sheet and Profit & Loss Accounts comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified from being appointed as director of the company under section 274 (1) (g) of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounting principles generally accepted in India :
 - i. In the case of Balance Sheet of the State of Affairs of the company as at 31st March, 2003 and
 - ii. In the case of Profit & Loss Account of Loss for the year ended on that date.

For **BIMAL KUMAR BASU**
Chartered Accountants

Sd/- Bimal Kumar Basu
(**BIMAL KUMAR BASU**)

Proprietor

Place : Kolkata

Date : 3rd day of August, 2003.

UNIVERSAL MULTIMEDIA LIMITED

ANNEXURE REFERRED TO IN PARA 1 OF OUR REPORT

(Referred to the Paragraph 1 of our Report of even date)

1. None of the fixed assets of the company have been revalued during the year under review.
2. The stock of finished goods has been physically verified at reasonable intervals during the year by the Management. In our opinion, the frequency of the verification is reasonable.
3. According to the explanation and information given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
4. No discrepancies were noticed on such verification between the physical stock and the books record.
5. On the basis of the examination of stocks, as per the books, we are satisfied that the valuation is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
6. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties, listed in the Register maintained under Section 301 of the Companies Act, 1956.
7. The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
8. Parties to whom loans or advance in nature of loans have been given by the Company are repaying the principal amount as per stipulation, wherever such stipulation exist and are also generally regular in payment of interest.
9. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase and sale of shares and securities.
10. In our opinion and according and according to the information and explanations given to us, the transactions of purchases and sale of shares and securities made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000/- or more in respect of each party, have been make at prices which are reasonable having regard to prevailing market prices for such shares and securities or the prices at which transactions for similar shares and securities have been made with other parties.
11. The Company has not accepted any deposits within the meaning of Section 58A of the companies Act, 1956.
12. The Company does not have any internal Audit System.
13. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to profit & Loss other than those payable under contractual obligations or in accordance with generally accepted business practice.

UNIVERSAL MULTIMEDIA LIMITED

14. There are no undisputed amounts of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding as on 31st March, 2003 for a period of more than six months from the date they become payable which is outstanding as on 31st March, 2003 for the period of more than six months from the date they became payable.
15. The Company is not a sick industrial Company within the meaning of clause (O) of sub-section (1) of section 3 of the sick industrial Companies (Special Provisions) Act, 1985.
16. According to the information and explanations given to us the company has not granted any secured loans on the basis of securities by way of pledge of shares, debentures and other similar securities.
17. In our opinion and according to the information and explanations given to us, proper records have been maintained and timely entries have been made therein of the transactions and contracts for shares, securities and debentures. The shares, securities and debentures and other investments have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
18. Other provisions of the said order are not applicable to the Company for the year under Report.

In terms of our report of even date
For **BIMAL KUMAR BASU**
Chartered Accountants

Place : Kolkata

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)

Date : 3rd day of August, 2003.

Proprietor

UNIVERSAL MULTIMEDIA LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2003.

	Schedule	As at 31st March, 2003		As at 31st March, 2002	
		Rs.	P.	Rs.	P.
SOURCES OF FUNDS :					
SHARE HOLDERS' FUNDS :					
Share Capital	A	31,82,90,226.00		31,82,90,226.00	
	TOTAL	31,82,90,226.00		31,82,90,226.00	
APPLICATION OF FUNDS :					
1. FIXED ASSETS - NET BLOCK					
GROSS BLOCK	B	95,280.00		95,280.00	
Less : DEPRECIATION		70,816.00		66,863.00	
	NET BLOCK	24,464.00		28,417.00	
CURRENT ASSETS, LOANS & ADVANCES :					
(a) Inventories (At Cost)	C	14,43,65,660.32		6,06,81,199.40	
(b) Sundry Debtors	D	7,51,94,998.36		12,44,76,956.11	
(c) Cash & Bank Balances	E	4,72,216.15		5,93,812.01	
(d) Other Current Assets	F	2,99,08,932.00		1,53,43,232.00	
(e) Loan & Advances	G	9,90,33,135.82		11,52,44,818.32	
		34,89,74,942.65		31,63,40,017.84	
Less : CURRENT LIABILITIES & PROVISIONS :					
Current Liabilities	H	3,63,61,310.25		35,15,480.00	
		31,26,13,632.40		31,28,24,537.84	
MISCELLANEOUS EXPENDITURES : I					
(To the extent not written off or adjusted)		1866187.00		24,28,279.00	
Profit & Loss Account (As per Account Annexed)		27,22,716.60		20,98,828.16	
Deferred Tax Adjustment		10,63,226.00		9,10,164.00	
	TOTAL	31,82,90,226.00		31,82,90,226.00	

NOTES ON ACCOUNT

Notes Forming part of the Accounts
As per our report of even date attached
For **BASU BIMAL KUMAR**
Chartered Accountants

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)
PROPRIETOR

Place : Kolkata
Dated : 3rd day of August, 2003.

Sd/- Vimal Joshi
Sd/- D. N. Jha
Director

UNIVERSAL MULTIMEDIA LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2003

	Schedule	As at 31st		As at 31st	
		March, 2003	March, 2002	March, 2002	March, 2002
		Rs.	P.	Rs.	P.
INCOME :					
Sale of Shares		5,85,72,480.00		2,68,46,247.45	
Commission		0.00		4,52,870.00	
Closing Stock of Shares		14,43,65,660.32		6,06,81,199.40	
	TOTAL (A)	20,29,38,140.32		8,79,80,316.85	
EXPENDITURES :					
Opening Stock of Shares		6,06,81,199.40		5,72,77,801.85	
Purchase of Shares		14,22,05,280.92		3,02,50,000.00	
Administrative & Other Expenses	J	2,62,565.44		3,27,743.00	
Miscellaneous Expenses W/Off	K	5,62,092.00		5,62,092.00	
	TOTAL (B)	20,37,11,137.76		8,84,17,636.85	
Profit before Depreciation	(A - B)	(7,72,997.44)		(4,37,320.00)	
Less : Depreciation		(3,953.00)		(4,591.00)	
Profit before Taxation		(7,76,950.44)		(4,41,911.00)	
Add : Deferred Tax Adjustment		1,53,062.00		9,10,164.00	
Add : Balance brought forward from Previous Year		(20,98,828.16)		(25,67,081.16)	
Balance carried to Balance Sheet		(27,22,716.60)		(20,98,828.16)	

NOTES ON ACCOUNTS

L

Notes Forming part of the Accounts

As per our report of even date attached
For **BASU BIMAL KUMAR**
Chartered Accountants

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)
PROPRIETOR

Sd/- Vimal Joshi
Sd/- D. N. Jha
Director

Place : Kolkata

Dated : 3rd day of August, 2003.

UNIVERSAL MULTIMEDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2002-2003

Schedule	As at 31st March, 2003 Rs. P.	As at 31st March, 2002 Rs. P.
SCHEDULE - A		
SHARE CAPITAL		
Authorised Capital		
3,30,00,000 Equity Shares of Rs. 10/- each.	33,00,00,000.00	33,00,00,000.00
	33,00,00,000.00	33,00,00,000.00
Issued & Subscribed & Called Up :		
3,20,00,400 Equity Shares of Rs. 10/- each.	32,00,04,000.00	32,00,04,000.00
	32,00,04,000.00	32,00,04,000.00
Paid Up :		
3,20,00,400 Equity Shares of Rs. 10/- each.	32,00,04,000.00	32,00,04,000.00
Less : Calls in Arrears	17,13,774.00	17,13,774.00
	31,82,90,226.00	31,82,90,226.00

SCHEDULES B : FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 31st March 2002	Additions the year	Cost as on as at 31st March, 2003	Upto 31st March, 2002	For the year the year	Sales/ adju- stment the year	Upto 31st March, 2003	As on 31st March, 2003	As on 31st March, 2002
Plant & Machinery	15,280	—	15,280	9,834	758	—	10,592	4,688	5,446
Furniture & Fixtures	80,000	—	80,000	57,029	3,195	—	60,224	19,776	22,971
GRAND TOTAL	95,280	—	95,280	66,863	3,953	—	70,816	24,464	28,417
PREVIOUS YEAR	95,280	—	95,280	62,272	4,591	—	66,863	28,417	33,008

SCHEDULE - C

INVENTORIES :

(Stock in trade as taken & Certified by management Schedule as per separate Sheet)

	14,43,65,660.32	6,06,81,199.40
	<hr/>	<hr/>
	<u>14,43,65,660.32</u>	<u>6,06,81,199.40</u>

SCHEDULE - D

SUNDRY DEBTORS :

(Unsecured considered good) outstanding for a period of more than six months)

Other Debts

	7,51,94,998.36	12,44,76,956.11
		0.00
	<hr/>	<hr/>
	<u>7,51,94,998.36</u>	<u>12,44,76,956.11</u>

SCHEDULE - E

Cash & Bank Balance

Cash in hand

(As certified by the Management)

Balance with Scheduled

Banks in Current Account

in fixed deposits a/c

Interest accrued on fixed deposit

	59,983.23	3,30,483.23
	1,62,919.92	14,015.78
	1,91,844.00	1,91,844.00
	57,469.00	57,469.00
	<hr/>	<hr/>
	<u>4,72,216.15</u>	<u>5,93,812.01</u>

SCHEDULE - F

OTHER CURRENT ASSETS

Interest Receivables

Share Application

(Pending Allotment)

Tax deducted at source

	6,20,625.00	6,20,625.00
	2,92,00,700.00	1,46,35,000.00
	87,607.00	87,607.00
	<hr/>	<hr/>
	<u>2,99,08,932.00</u>	<u>1,53,43,232.00</u>

SCHEDULE - G

LOANS & ADVANCES

(Unsecured considered Goods)

Loan & Advances

Advances (receivable in cash or in

Kind or for value to be received)

	3,07,478.32	3,07,478.32
	9,87,25,657.50	11,49,37,340.00
	<hr/>	<hr/>
	<u>9,90,33,135.82</u>	<u>11,52,44,818.32</u>

UNIVERSAL MULTIMEDIA LIMITED

SCHEDULE - H

CURRENT LIABILITIES

Liabilities for Expenses	79,000.00	59,000.00
Advance against Shares	3,36,94,810.25	16,45,000.00
Sundry Creditors	25,87,500.00	18,11,480.00
	3,63,61,310.25	35,15,480.00
	3,63,61,310.25	35,15,480.00

SCHEDULE - I

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Public Issue Expenditure	18,15,968.00	23,53,953.00
Preliminary Expenses	50,219.00	75,326.00
	18,66,187.00	24,28,279.00
	18,66,187.00	24,28,279.00

SCHEDULE - J

ADMINISTRATIVE & OTHER EXPENSES

Audit & Certification Fees	5,000.00	5,000.00
Bank Charges	11,971.44	17,670.00
Accounting Charges	15,000.00	15,000.00
Legal & Professional Charges	0.00	0.00
Repair & Office Maintenance	0.00	6,120.00
Postage & Telegram	3,400.00	2,700.00
Printing & Stationery	18,500.00	16,100.00
Rent Paid	24,000.00	24,000.00
Traveling & Conveyance	17,600.00	16,000.00
Salary	1,20,000.00	1,20,000.00
Listing Fees	0.00	91,000.00
Filing Fees	1,000.00	10,500.00
Advertisement	23,310.00	3,653.00
Telephone Expenses	2,784.00	0.00
Share Transfer Expenses	20,000.00	0.00
	2,62,565.44	3,27,743.00
	2,62,565.44	3,27,743.00

SCHEDULE - K

Preliminary Expenses W/Off	25,107.00	25,107.00
Share Issue Expenses W/Off	5,36,985.00	5,36,985.00
	5,62,092.00	5,62,092.00
	5,62,092.00	5,62,092.00

UNIVERSAL MULTIMEDIA LIMITED

SCHEDULE - L

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

a. Revenue & Expenditure Recognition :

The Company has followed Merchants System of Accounting and as such all incomes and expenditures are accounted for on accrual basis.

b. Fixed Assets :

Fixed assets are stated at cost, cost includes all identifiable expenditures incurred to bring the Assets to its present condition and location.

c. Depreciation :

Depreciation is provided on the "Written Down Value" basis at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956 (as amended)

d. Valuation of Closing Stock :

Closing Stock of Shares has been valued at cost.

e. Miscellaneous Expenditure :

Preliminary expenses and Share Issue Expenses are written off equally over a period of ten years.

2. Estimated amount of contract remaining to be executed on capital account Rs. Nil

3. Contingent Liability not provided for in the Accounts — Rs. NIL

For the year ended

31.03.2003

31.03.2002

4. Auditor Remuneration : Audit Fee 5,000/-

5,000/-

5. No provision for gratuity payable under the payment of gratuity Act, 1972 of the Companies Act, 1956 has been made no employee has put in completed year of service..

6. The Balance of Sundry Debtors and Sundry Creditors are subject to confirmation by the respective parties.

7. Deferred Tax Accounting :

During the year the company has for the first time, adopted accounting standard 22 on Accounting for Taxes on income. Issued by the institute of Chartered Accountant of India. Consequently net deferred Tax credit till 31st March, 2002 of Rs. 1,53,062/- has been recorded by transferring the said amount Profit & Loss A/c as at 31st March 2002.

Carry forward loss Rs. 10,63,226/-

8. Related Party Disclosure

Name

Nature of Relationship

Mr. D. N. Jha

Director

Mr. Vimal Joshi

Director

Mr. Ashish Chowdhury

Director

9. Segment Report

Since the Company operated in segment only that is Trading in shares & Securities during the year. The provision relating to sigment wise report are not applicable.

10. Previous year figure have been regrouped/rearranged wherever found.

SIGNATURES TO SCHEDULES A TO I FOR AND ON BEHALF OF THE BOARD

For **BASU BIMAL KUMAR**
Chartered Accountants

Sd/- Vimal Joshi
Sd/- D. N. Jha
Director

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)
PROPRIETOR

Place : Kolkata
Dated : 3rd day of August, 2003.

UNIVERSAL MULTIMEDIA LIMITED

INVENTORIES :

(Stock in trade as taken by management)

A. QUOTED

Name of the Company	No. of Sh.	Amount	No. of Sh.—	Amount—
Warner Multimedia Ltd.	25,00,000	2,50,00,000.00	25,00,000	2,50,00,000.00
Satyam Computer Services Ltd.	5,000	3,01,31,199.40	5,000	3,01,31,199.40
Blue Chip India Ltd.	31,48,510	1,18,59,460.92	0	0.00
	56,53,510	6,69,90,660.32	25,05,000	5,51,31,199.40

B. UNQUOTED

Westwell Iron & Steel Pvt. Ltd.	40,000	40,00,000.00	40,000	40,00,000.00
Catchcal.com Ltd.	2,500	2,50,000.00	2,500	2,50,000.00
Trend Vyapaar Pvt. Ltd.	30,000	3,00,000.00	30,000	3,00,000.00
Rajma Holding Pvt. Ltd.	20,000	10,00,000.00	20,000	10,00,000.00
Ramsons Casting Pvt. Ltd.	1,000	69,00,000.00	0	0.00
Kannapan Iron & Steel Pvt. Ltd.	42,000	1,05,00,000.00	0	0.00
Shristhi Ispat Ltd.	5,55,000	55,00,000.00	0	0.00
Ansh Properties Pvt. Ltd.	20,000	20,00,000.00	0	0.00
ABM Securities Pvt. Ltd.	2,20,000	55,00,000.00	0	0.00
Bharat Wireropework Ltd.	3,15,000	94,50,000.00	0	0.00
ABM Securities Ltd.	1,22,500	36,75,000.00	0	0.00
Shalimar Buildcon Pvt. Ltd.	23,000	23,00,000.00	0	0.00
Shubhan Decor Pvt. Ltd.	25,000	25,00,000.00	0	0.00
Canbera Construction Pvt. Ltd.	1,50,000	15,00,000.00	0	0.00
Jcc Globe Ltd.	3,00,000	30,00,000.00	0	0.00
Janak Synthetics Pvt. Ltd.	50,000	5,00,000.00	0	0.00
Goodwill Fincon Pvt. Ltd.	4,000	4,00,000.00	0	0.00
Saraf Yarn Pvt. Ltd.	1,00,000	10,00,000.00	0	0.00
Kumali Sales Pvt. Ltd.	50,000	5,00,000.00	0	0.00
Nikhil Machines Pvt. Ltd.	60,000	6,00,000.00	0	0.00
TDI Marketing Pvt. Ltd.	5,000	5,00,000.00	0	0.00
ASS Mills Pvt. Ltd.	10,000	10,00,000.00	0	0.00
Prayas Enterprises Pvt. Ltd.	1,00,000	10,00,000.00	0	0.00
Priyadarshini Polysacks Ltd.	1,00,000	10,00,000.00	0	0.00
Sunil Promoters Pvt. Ltd.	50,000	5,00,000.00	0	0.00
Paras Petrofils Pvt. Ltd.	20,000	20,00,000.00	0	0.00
Pankaj Industries Pvt. Ltd.	50,000	5,00,000.00	0	0.00
Apna Finance Ltd.	60,000	6,00,000.00	0	0.00
Magnum India Pvt. Ltd.	50,000	5,00,000.00	0	0.00
Amit Dyeing & Printing Mills Pvt. L.	20,000	2,00,000.00	0	0.00
ARB Net Tourism Infotech Pvt. Ltd.	20,000	2,00,000.00	0	0.00
Janak Synthetics Pvt. Ltd.	50,000	5,00,000.00	0	0.00
Navayuga Engineering Co. Ltd.	75,000	75,00,000.00	0	0.00
TOTAL : (A+B)	83,935.10	14,43,65,660.32	25,975.00	6,06,81,199.40

Book Value of Quoted Shares 83,93,510 14,43,65,660.32

Market Value of Quoted Shares 56,53,510 4,97,64,289.00

UNIVERSAL MULTIMEDIA LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No. : 66819
State Code : 21
Balance Sheet Date : 31st March, 2003.

II. CAPITAL RAISED DURING THE YEAR : (Amount in Rs. Thousands)

Public Issue : Nil
Right Issue : Nil
Bonus Issue : Nil
Private Placement : Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amt. in Rs. Thousands)

Total Liabilities : 318290
Total Assets : 318290

SOURCES OF FUNDS :

Paid of Capital : 318290
Reserve & Surplus : NIL
Secured Loans : —
Unsecured Loans : NIL

APPLICATION OF FUNDS :

Net Fixed Assets : 24
Investments : NIL
Net Current Assets : 312613
Misc. Expenditure : 1866
Accumulated Losses : 2723

IV. PERFORMANCE OF COMPANY : (Amt in '000)

Turnover & other Income : 202938
Total Expenditure : 203711
Profit / (Loss) before Tax : (777)
Profit / (Loss) after Tax : (777)
Earning per share in Rs. : Nil
Dividend Rate : Nil

V. GENERIC NAMES OF PRINCIPAL PRODUCT OF THE COMPANY

Item Code No. : Not Applicable
Product Description : i. Trading & Investment
In Share & Securities

Place : P-27, Princep Street,
3rd Floor,
Kolkata - 700 072.

Dated : The 3rd day of August, 2003

In terms of our report of even date
For **BASU BIMAL KUMAR**
Chartered Accountants

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)
Proprietor

Sd/- D. N. Jha
Sd/- Vimal Joshi
Directors

UNIVERSAL MULTIMEDIA LIMITED

CASH FLOW STATEMENT FOR THE PERIOD FROM APRIL 2002 TO MARCH 2003

	<u>31.03.2003</u>	<u>31.03.2002</u>
CASH FROM		
<u>OPERATING ACTIVITIES</u>		
Net profit before Tax & Extraordinary items	(7,76,950.00)	(4,41,911.00)
Preliminary Expenses w/off	25,107	25,107
Share Issue Exp. w/off	5,36,985	5,36,985
Depreciation	3,953	4,591
	5,66,045.00	5,66,683.00
	(2,10,905.00)	1,24,772.00
<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>		
Trade receivables	4,92,81,958	69,50,250
Inventories	(8,36,84,461)	(34,03,398)
Loans & Advances	(1,45,65,700)	(21,95,000)
Other Current Assets	16,211,682	(94,35,000)
Trade Payable	3,28,45,830	34,56,480
	89,309.00	(2,36,668.00)
CASH GENERATED FROM OPERATIONS	(1,21,596.00)	(1,11,896.00)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of fixed assets	—	—
Share Investment	—	—
CASH FLOW USED IN INVESTING ACTIVITIES	(1,21,596.00)	(1,11,896.00)
<u>NET CASH USED IN FINANCING ACTIVITIES</u>		
Net increase in cash	1,21,596.00	1,11,896.00
Cash Equivalents (A+B+C)	—	—
Opening Balance of cash and cash equivalents	5,93,812.00	7,05,708.00
Closing balance of cash and cash equivalents	4,72,,216.00	5,93,812.00

Place : Kolkata

Date : 3rd day of August, 2003

on behalf of the board
For **UNIVERSAL MULTIMEDIA LIMITED**

Sd/- Vimal Joshi
Director

UNIVERSAL MULTIMEDIA LIMITED

AUDITOR'S REPORT

We have verified attached cash flow statement of **UNIVERSAL MULTIMEDIA LIMITED** derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2003 found the same in agreement herewith.

In terms of our report of even date
For **BASU BIMAL KUMAR**
CHARTERED ACCOUNTANTS

Place : Kolkata

Date : 3rd day of August, 2003

Sd/- Bimal Kumar Basu
(BIMAL KUMAR BASU)
Proprietor