

**27th Annual Report
2009 - 2010**

WARNER MULTIMEDIA LIMITED

WARNER MULTIMEDIA LIMITED

BOARD OF DIRECTORS

Jagdish Prasad Purohit	Chairman & Managing Director
Kailash Prasad Purohit	Whole Time Director
Dhruva Narayan Jha	Independent Director
Saroj Devi Kothari	Independent Director

REGISTERED OFFICE

75C, Park Street
Kolkata-700 016

BANKERS

Federal Bank
Kotak Mahindra Bank

AUDITORS

M/s. Manbendra Bhattacharyya & Co.
Chartered Accountants
4, Kiran Shankar Roy Road
Kolkata - 700 001

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
No. 9, Shiv Shakti Indl. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011.

ANNUAL GENERAL MEETING

Date : 28th July 2010
Time : 11.30 A.M.
Venue : P-27, Princep Street, 3rd Floor
Kolkata-700 072



C O N T E N T S

Notice
Report on Corporate Governance
Auditors' Certificate on Corporate Governance
Directors' Report
Secretarial Compliance Report
Auditors' Report
Balance Sheet
Profit & Loss Account
Schedules
Cash Flow Statement
Balance Sheet Abstracts

Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the **Twenty Seventh** Annual General Meeting of the members of **WARNER MULTIMEDIA LIMITED** will be held on Wednesday, the **28th July 2010** at 11.30 A.M. at P-27, Princep Street, 3rd Floor, Kolkata-700 072 to transact the following businesses as:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2010.
2. To appoint Director in place of Mr. Dhruva Narayan Jha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Kolkata, May 31, 2010

By order of the Board
For **Warner Multimedia Limited**

Registered Office :
75C, Park Street, Basement
Kolkata-700 016.

Jagdish Prasad Purohit
Chairman & Managing Director

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 21st July 2010 to 28th July 2010 (both days inclusive).
3. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
4. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
5. Members, desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
6. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011
7. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested

to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

9. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of the Company.
12. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
13. Members are requested to quote Folio Number/Client ID in their correspondence.
14. The Equity shares of the Company are listed on Kolkata, Mumbai, Delhi, Ahmedabad & Jaipur Stock Exchanges and Listing Fees for the financial year 2010-2011 have been paid to Kolkata & Bombay Stock Exchanges.

Kolkata, May 31, 2010

By order of the Board
For **Warner Multimedia Limited**

Registered Office :
75C, Park Street, Basement
Kolkata-700 016.

Jagdish Prasad Purohit
Chairman & Managing Director

**DIRECTORS' REPORT & MANAGEMENT
DISCUSSIONS & ANALYSIS**

To The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2010.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2010	Year Ended 31.03.2009
Income	3.59	3.96
Profit before Tax & Extraordinary Items	(15.18)	(6.14)
Less : Provision for Fbt	0.00	0.11
Profit after Tax	(15.18)	(6.25)
Add : Balance brought forward from Previous Year	47.62	53.98
Less : Prior Period Adjustments	(0.13)	0.00
Balance carried forward to Next Year	32.30	47.62

DIVIDEND

Due to Loss incurred during the year, your Directors do not propose any dividend for the year under review.

INDUSTRY STRUCTURE AND DEVELOPMENT

With the huge success of the software companies in India, the Indian software industry in turn has become successful in making a mark in the global arena. This industry has been instrumental in driving the economy of the nation on to a rapid growth curve. As per the study of NASSCOM-Deloitte, the contribution of IT/ITES industry to the GDP of the country has soared up to a share of 5% in 2007 from a mere 1.2% in 1998. Besides, this industry has also recorded revenue of US\$ 64 billion with a growth rate of 33% in the fiscal year ended in 2008.

The export of software has also grown up, which has been instrumental in the huge success of the Indian software companies as well as the industry. In fact, software export from India accounts for more than 65% of the total software revenue. The domestic software market largely depends upon sale of software packages and products, which constitute major part of revenues. Products account for almost 40% of the domestic market. On the other hand, more than 80% of revenue from software exports comes from software services like custom software development and consultancy services etc.

Most of the software companies in India are into varied types of business. There can be several types of business in the IT sectors:

- Infrastructure Software: These include OS, middleware and databases.
- Enterprise Software: These automate business process in diverse verticals like finance, sales and marketing, production and logistics.

- Security Software
- Industry-specific Software
- Contract Programming

OPPORTUNITIES & THREATS

Opportunities

Global Market is large and rapidly changing-from a mix of legacy client server to web / package-based services. Market openings are emerging across I.T. services, software products, I.T. enabled services and E-businesses, and creating a number of new opportunities for Indian companies. The corporate, government and consumer sector of the Indian domestic market offers a huge opportunity to software and services companies.

The global outsourcing business was worth U.S.\$ 77 billion in 1997 and has been growing at the rate of 15-18 percent per annum. A recent survey indicates that by 2002, more than 59 percent of the Fortune 1000 companies and other multinationals will outsource some part of their application development and maintenance activities. India can gain and corner a greater marketplace.

India not only has a huge opportunity to service this market but also has a unique opportunity to address the needs of the NRI community around the world.

The recent permission to allow private ISP's operate in India and set up their own gateways will unprecedented Internet proliferation throughout India.

Threats

In the past decade, the Government and industry have worked very well together in India for the success of the I.T. software and services industry. Now the Government's role needs to be increasingly directed towards providing suitable infrastructure and continuing its role in the simplification of policies. Any further plans for Government control, restrictions or undue interference could well pose a threat to the industry.

The immediate need of the hour in India is to have a world class telecom infrastructure at globally competitive tariffs. The Department of Telecommunications has taken a number of initiatives including the National Telecommunication Backbone, National Internet Backbone, and plans for providing high bandwidth Internet connectivity to remote corners of India. However, Government monopoly, lack of speed and adherence to archaic telecommunication rules and regulations can prove to be a threat to the industry.

The world is moving at the speed of Internet. The decision-making and time taken for implementation in India needs to be at a much faster pace so that the Indian I.T. software and services industry does not lose any opportunities.

Although, the software industry is growing at a phenomenal rate, many other sectors in India have not yet been able to keep pace with it. Lately, almost all major cities are building hi-tech buildings to house the software industry. These buildings have state-of-art infrastructure, data communication facilities, captive power etc. But, lack of power, highways, housing and international airports in some cities has become a major constraint.

Rising cost of infrastructure, basic amenities and salaries can pose a threat if not adequately balanced with value addition.

OPERATIONS & CURRENT YEAR PROSPECTS

There was no such business activity during the year under review. The Company was having a plant of windfall Energy situated at Kaythar in Tamilnadu which was already being seized by the Department of Rural Electrification & Development Ltd. due to the dispute between the parties in terms of Loan taken from them. The Company is in contact of Lender to resolve the issue. The Current year also does not look better if dispute is not being resolved by and between the parties. The Company is also trying to recover loans given to Corporate as well as the money invested in Equities. Once the fund will be recovered, the Company is sure to do better in coming months and will be a profit making entity.

BUSINESS SEGMENT

Your Company offers its services to customers through industry practices in Software development, production of windfall energy as well as in the services of NBFC activities. The Company use to do trading in the Software, by way of developing of Software through professionals in the market and sell them into respective buyers in market

RISK & CONCERNS

The risks that the Company faces are the ones that face the industry today and these have been mentioned periodically. These risks includes innovation of new technologies, continuous fall in demand of its products, increase in cost because of increase in demand of professionals, fall in the rupee valuation as well as any amendment in the Government rules, which may cause the pricing of its products as well as its demand in the India or abroad. Others risks are client concentration risk, competitive risk and financial risk etc.

In term of NBFC activities, the Company has paid to Loans to HNIs and Corporate entities and is trying to recover that money which is long outstanding. Company is trying hard to recover that money and looking for various aspects in order to bring back its fund in the Company's kitty.

OVERVIEW

The Company is planning to counter its challenges through focused marketing, tight control on liquidity and margins, cost effective sourcing of materials and services, improved quality of products through process automation & upgrading of sound recording equipments. The Company is also trying to strengthen its presence in Software industry with improved quality of its products.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

WARNER has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

WARNER's biggest assets are their employees. We are continuously working on innovative initiatives to attract, train, retain and motivate our employees. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. Our constant goal, and indeed our biggest strength, is a healthy, happy and prosperous work environment for all our employees.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.

FIXED DEPOSITS

The Company has not taken any fixed deposits from public during the year.

DIRECTORS

There is no change in composition of Board during the year under review.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association Mr. Dhruva Narayan Jha who retires by rotation is eligible, offers himself for reappointment.

None of the Directors are interested in re-appointment of Mr. Dhruva Narayan Jha.

Further, non of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

AUDITORS

Auditors M/s Manbendra Bhattacharyya & Co., Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Members are requested to appoint new Auditors in place of M/s. Manbendra Bhattacharyya & Co. and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Objective appraisal systems are in place for senior management system.

STATUTORY INFORMATION

The Company being basically in the financial sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

PARTICULARS OF EMPLOYEES

The relations remain cordial throughout the year between employees and the management.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

Particulars under Section 217 (1) (e) of the Companies Act, 1956

The Company is engaged in the business of shares and securities broking hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts for the year ended 31st March 2010, all the applicable accounting standards prescribed by the Institute of chartered Accountants of India have been followed ;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable 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 of the Company for that period.
3. 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.
4. The Directors had prepared the annual accounts on a going concern basis.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, May 31, 2010

Registered Office :
75C, Park Street, Basement
Kolkata-700 016.

By order of the Board
For **Warner Multimedia Limited**

Jagdish Prasad Purohit
Chairman & Managing Director

ANNEXURE TO THE DIRECTOR’S REPORT

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

Company's philosophy on Code of Governance

Warner Multimedia Ltd. (WARNER) is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholders value. The Company's core philosophy on the code of Corporate Governance is to ensure-

- Fair and transparent business practices;
- Accountability for performance;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executives and independent directors on the Board.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

The Certificate of Corporate Governance from the Statutory Auditors of the Company confirming compliance of the conditions of Corporate Governance is annexed hereto.

BOARD OF DIRECTORS

The constitution of the Board is in conformity with the provisions of Clause 49 of the listing Agreement of the Stock Exchange. The Board consists of five Directors out of which three members are Independent Directors.

The Board of Directors met 5 times on 22nd June 2009, 26th June, 2009, 31st July 2009, 30th October 2009, and on 29th January 2010 during the financial year 2009-2010.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Jagdish Prasad Purohit*	Chairman & Managing Director	5	Yes	5	1	4
Kailash Prasad Purohit	Whole time Director	5	Yes	2	4	2
Dhruva Narayan Jha	Independent Director	5	Yes	8	3	4
Saroj Devi Kothari	Independent Director	5	Yes	1	3	Nil

* Chairman of the Board

AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

Terms of Reference

The terms of reference of the Audit Committee are as under :

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, reappointment and, if required the replacement or removal of the statutory auditor and fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to -
 - (i) Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act 1956.
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (iv) Significant adjustments made in the financial statements arising out of audit findings.
 - (v) Compliance with listing and other legal requirements relating to financial statements.
 - (vi) Disclosure of any related party transactions.
 - (vii) Qualifications in the draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management performance of statutory and internal auditors, adequacy of internal control systems.
- g) Reviewing with the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
- h) Discussion with internal auditors any significant findings and follow-up thereon.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any areas of concern.
- k) To look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividend) and creditors.

Authority and Responsibilities

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on - 26th June, 31st July and 30th October in year 2009 & on 29th January 2010 during the financial year ended on 31st March 2010.

Name	Number of Meetings Held	Meetings Attended
Mr. Jagdish Prasad Purohit	4	4
Mrs. Saroj Devi Kothari*	4	4
Mr. Dhruva Narayan Jha	4	4

*Chairman of Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

DETAILS OF REMUNERATION PAID TO DIRECTORS

Sum of Rs. 69,000/- has been paid to Mr. Dhruva Narayan Jha towards Directors' sitting Fees.

No Stock option has been allotted to any of the Directors during the financial year 2009-2010.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Kailash Prasad Purohit; whole time Director with two other Independent Director namely Mr. Dhruva Narayan Jha & Mrs. Saroj Devi Kothari.

The members of Share Transfer Committee met four times on 26th June, 31st July and 30th October in year 2009 & on 29th January 2010 during the financial year ended on 31st March 2010.

Name	Number of Meetings Held	Meetings Attended
Mr. Kailash Prasad Purohit*	4	4
Mr. Dhruva Narayan Jha	4	4
Mrs. Saroj Devi Kothari	4	4

*Chairman of Committee

INVESTORS' GRIEVANCE COMMITTEE

The Board of Warner Multimedia Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Ashok Bothra, as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 1, May 4, June 1, July 1, August 3, September 1, October 1, November 2, and December 1 in year 2009 and on January 2, February 1 and March 1 in year 2010.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Dhruva Narayan Jha *	Chairman	Independent, Non-Executive	12
Mr. Jagdish Prasad Purohit	Member	Promoter, Executive	12
Mrs. Saroj Devi Kothari	Member	Independent, Non-Executive	12

Details of Shareholders' Complaints

During the year the Company has not received any compliant from any of its share holder however one complaint was pending at the beginning of the year which was being resolved during the year.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
26th Annual General Meeting	16th September 2009, 11.30 AM	P-27, Princep Street, 3rd Floor, Kolkata - 700 072.
25th Annual General Meeting	19th September 2008, 11.00 AM	P-27, Princep Street, 3rd Floor, Kolkata - 700 072.
24th Annual General Meeting	21st September 2007, 11.00 AM	P-27, Princep Street, 3rd Floor, Kolkata - 700 072.

EXTRA-ORDINARY GENERAL MEETINGS

No Extra-Ordinary General Meeting was being held in last three years.

PASSING OF RESOLUTION BY POSTAL BALLOT

No Resolution has been passed by way of Postal Ballot Rules, 2000 during last three financial years.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

BOARD DISCLOSURES

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- Governance of Risk
- Identification of Risk
- Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination

among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Office has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) Secretarial Audit : A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- d) The financial statements of the Company are unqualified.
- e) The Company has not adopted a Whistle Blower Policy till date.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. And published in the leading English Newspapers i.e. The Echo of India and in vernacular language Newspaper i.e. Arthiklipi.
- Company is not yet started to post its Quarterly Results/Half Yearly/ Nine Months & Annual Results on its website.
- Official News releases are also yet to be posted on its website.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 27th Annual General Meeting for the financial year ended on 31st March 2010 is as follows :-

Date : 28th July 2010
 Time : 11.30 A.M.
 Venue : P-27, Princep Street, 3rd Floor, Kolkata - 700 072.

b. Financial Calendar : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2010	14 th August, 2010
Financial Reporting of 2nd Quarter ended on 30th September 2010	15 th November 2010
Financial Reporting of 3rd Quarter ended on 31st December 2010	15 th February 2011
Financial Reporting of 4th Quarter ended on 31st March 2011	13 th May 2011
Date of Annual General Meeting	During September 2011

d. Date of Book Closure : 21st July 2010 to 28th July 2010. (Both days inclusive)

e. Dividend Payment : Nil

f. Custody Charges & Listing Fees : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Year 2010-2011 have been paid to both BSE & CSE.

g. Stock Code : 511690 on BSE, 10013062 on CSE

h. Depository (ISIN Code) : INE407B01017 (NSDL & CDSL)

i. Market Price Data :

Month	Price on BSE (Rs.)			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2009	1.51	1.27	28419	11492.10	9546.29
May 2009	1.49	1.15	40438	14930.54	11621.30
June 2009	1.86	1.41	84717	15600.30	14016.95
July 2009	2.13	1.55	41257	15732.81	13219.99
August 2009	2.90	2.00	101068	16002.46	14684.45
September 2009	2.49	1.73	33388	17142.52	15356.72
October 2009	2.00	1.81	1088	17493.17	15805.20
November 2009	1.94	1.64	11808	17290.48	15330.56
December 2009	1.90	1.57	78943	17530.94	16577.78
January 2010	2.25	1.58	111143	17790.33	15982.08
February 2010	2.09	1.82	18276	16669.25	15651.99
March 2010	2.00	1.61	40189	17793.01	16438.45

j. Registrar & Share Transfer Agent.

M/s. Purva Sharegistry (India) Pvt. Ltd. Has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address :

M/s. Purva Sharegistry (India) Pvt. Ltd.
 No. 9, Shiv Shakti Indl. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011,
 Tel : 022-23016761

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, M/s. Purva Sharegistry (India) Pvt. Ltd. And approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Shareholding Pattern as on 31st March 2010

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	6137005	33.07
Other (Clg. Member/ Clg. Corporation)	0	0.00
NRI/OCBS	21612	0.12
Private Corporate Bodies	6006937	32.37
Indian Public	6389846	34.44
Total	18555400	100.00

m. Categories of Shareholders as on 31st March 2010.

Category	No. of Share Holders	% of Share Holders	No. of Shares Held	% of Share Holding
Individuals	12184	98.23	6389846	34.44
Local Mutual Funds	0	0.00	0	0.00
Non-Resident Indians	11	0.09	21612	0.12
Body Corporate	186	1.50	6006937	32.37
Others	0	0.00	0	0.00
Promoters	23	0.19	6137005	33.07
Total ...	12404	100.00	18555400	100.00

n. Dematerialization of Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the company has established connectivity with both National Securities Depository Limited (NSDL) and Central depository Services (India) Limited (CSDL) by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are traded under "B" category on Bombay Stock Exchange Ltd. 33.93% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2010.

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

p. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

q. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

r. Brief Resume of the Directors Seeking Re-Appointment

Mr. Dhruva Narayan Jha, Age 51, B. Com. Is having vast experience in the area of Financial Market, Money Market and Income Tax related activities as well as expertise in legal matters. Moreover he is having an experience of around 26 years in theses business and profession. He is an Independent Director of the Company.

He is not holding any share either in his own name or in the name of family members or relatives.

As on 31st March 2010, he is on the Board of Directors of the following Companies.

Sr. No.	Name of the Company
1.	Prime Capital Markets Ltd.
2.	Blue Circle Services Limited
3.	Bolton Properties Limited
4.	Denim Developers Limited
5.	Universal Multimedia Ltd.
6.	Chefair Impex Ltd.
7.	Bull Power Vyapar Ltd.
8.	Sargam Trade Link Pvt. Ltd.
9.	Celesst Mercandise Ltd.
10.	Sudhanil Vyanija Pvt. Ltd.
11.	Thunder Traders Ltd.
12.	Albright Electricals Pvt Ltd
13.	Albright Consultants Pvt Ltd

Further, he is having 3 Committee Chairmanship and 8 Committee Membership in various listed cos. where he is holding position as Director.

s. Details on use of Public Funds Obtained in the last three years :

No Funds have been raised from the public in the last 3 years.

t. Investors Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Ashok Bothra - warner.multimedia@gmail.com

u. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

v. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

w. Address for Correspondence

75C Park Street, Basement,
Kolkata-700 016.

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below :

To
The Members of
Warner Multimedia Limited

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **WARNER MULTIMEDIA LIMITED**

Jagdish Prasad Purohit
Chairman & Managing Director

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2010

The Board of Directors,
Warner Multimedia Limited
Kolkata

We have examined the registers, records and papers of M/s. Warner Multimedia Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2010.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. Equity Shares of the Company are listed on Kolkata, Mumbai, Ahmedabad, Delhi & Jaipur Stock Exchanges.
2. All the requisite registers and other records required under the Act and the Rules made thereunder have been maintained in accordance with the requirements of the Act.
3. All the requisite forms, returns and documents have been filed with the Registrar of Companies and other authorities as required under the Act and Rules made thereunder.
4. All the requirements of the Act relating to the meetings of the Directors, Shareholders and Committees of the Board as well as relating to maintenance of the minutes of the proceedings there at have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Companies Act, 1956.
7. The Company has not raised any fund during the year under review.
8. Share Certificates have been delivered to the transferee within Applications for transfer and transmissions of the Shares have been registered within the prescribed for this purpose.
9. The Company has not declared any Dividend during the year under review.
10. The amounts borrowed by the Company from Banks/Bodies Corporate are within the borrowing limits of the Company. There are no borrowings which are outstanding as on March 31, 2010.
11. Necessary approval of Directors, Shareholders, Central Government and other authorities, wherever applicable and required under the Companies Act, 1956, have been obtained.
12. The Company has not altered its Memorandum of Association & Articles of Association during the year under review.

For **M/s. VKM & Associates**
Company Secretaries

Place : Mumbai
Date : May 31, 2010

VIJAY KUMAR MISHRA
Partner

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Warner Multimedia Limited

We have examined the compliance of the conditions of Corporate Governance by WARNER MULTIMEDIA LTD. (The Company) for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

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

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

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

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

For **MANABENDRA BHATTACHARYYA & CO.**
Chartered Accountants

Place : Kolkata
Date : May 31, 2010

AMIT BHATTACHARJEE
Proprietor

AUDIT REPORT

To the Members of Warner Multimedia Limited

We have audited the attached Balance Sheet of M/s Warner Multimedia Limited as at 31st March 2010 and also the Profit & Loss Account for the year ended on that day annexed hereto. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in Paragraph 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the Annexure referred in paragraph 1 above, attention is invited to the following on accounts:
 - (i) The Company has no provision for non performing assets as per Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 of Reserve Bank of India.
 - (ii) The Company's Non-availability information status of shares held as inventory of companies under liquidation due to which provision there against can not be commented upon presently.
 - (iii) Certain old debt eventual recovery of which and provision there against can not be commented upon presently.
3. Subject to 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 those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
 - d) In our opinion the Balance Sheet, Profit & Loss Account & Cash Flow Statement together with this notes of accounts dealt with by this report Comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956 to the extent applicable.
 - e) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31st March, 2010. From being appointed as a director in terms of clause (g) of sub Section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the Explanations given to us, the said accounts, give the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles and generally accepted in India :-
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date;
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **MANABENDRA BHATTACHARYYA & CO.**
Chartered Accountants

Place : Kolkata
Date : May 31, 2010

AMIT BHATTACHARJEE
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
 - a. As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
 - b. In our opinion and according to the information and explanation given to us, the Company has not made any substantial disposal during the year.
 - c. The procedure of physical verification of stock & securities followed by management are reasonable and adequate in relation to the size of the Company nature of its business.
 - d. The Company has maintained proper record of Inventories. No discrepancies noticed on physical verification of Investments as compared to the books & records.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a. In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
 - b. According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - c. In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
 - a. In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such

contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2010.

(b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.

16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. The company has not issued any equity shares and debentures during the year.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
20. The Company has not raised any money through a Public Issue during the year under Audit. Accordingly Clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

For **MANABENDRA BHATTACHARYYA & CO.**
Chartered Accountants

Place : Kolkata
Date : May 31, 2010

AMIT BHATTACHARJEE
Proprietor

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	31.3.2010 Rupees	31.3.2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	185,554,000	185,554,000
Reserves and Surplus	2	63,857,180	65,388,222
		<u>249,411,180</u>	<u>250,942,222</u>
Loan Fund			
Secured Loan	3	34,174,310	34,174,310
Unsecured Loan	4	7,968,079	7,965,849
		<u>42,142,389</u>	<u>42,140,159</u>
	TOTAL	<u>291,553,569</u>	<u>293,082,381</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	51,306,302	51,306,302
Less : Depreciation		11,171,153	11,171,153
Net Block		<u>40,135,149</u>	<u>40,135,149</u>
Investments	6	379,761,155	393,239,422
Current Assets, Loans & Advances			
Sundry Debtors	7	11,560	11,560
Cash & Bank Balances		1,213,813	1,778,357
Deposits & Advances		95,925,011	78,708,511
		<u>97,150,384</u>	<u>80,498,428</u>
Less : Current Liabilities & Provisions			
Sundry Creditors	8	279,903	279,903
Advance		208,602,500	203,900,000
Deferred Tax Adjustments		16,242,359	16,242,359
Liabilities & Provisions		368,356	368,356
		<u>225,493,118</u>	<u>220,790,618</u>
Net Current Assets		<u>(128,342,734)</u>	<u>(140,292,190)</u>
Miscellaneous Expenditure			
(To the Extent not written off & Adjusted)			
Deferred Revenue Expenditure		-	-
	TOTAL	<u>291,553,569</u>	<u>293,082,381</u>
Notes forming part of the accounts & Significant Accounting Policies	13		

As per our report of even date

For **MANABENDRA BHATTACHARYYA & CO.**
Chartered Accountants

Jagdish Prasad Purohit
Director

AMIT BHATTACHARJEE
Proprietor

Place : Kolkata
Date : 31st May 2010

Kailash Prasad Purohit
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	31.3.2010 Rupees	31.3.2009 Rupees
INCOME			
Sale of Products	9	359,233	396,214
		359,233	396,214
EXPENDITURE			
Payment & Provision to Employees	10	198,132	194,632
Administrative Expenses	11	1,679,533	740,331
Deferred Revenue Expenditure W/off		-	75,000
		1,877,665	1,009,963
Profit before Tax		(1,518,432)	(613,749)
Provision for Taxation		-	-
Provision for FBT		-	11,112
Profit/(Loss) after Tax		(1,518,432)	(624,861)
Add : Prior Period Adjustments		(12,610)	(11,184)
Profit (Loss) available for Appropriation		(1,531,042)	(636,045)
Profit brought forward from previous year		4,761,722	5,397,767
Profit carried to Balance Sheet		3,230,680	4,761,722
Earnings Per Share (Basic & Diluted) (Face Value Rs. 10/- per share)	12	(0.01)	(0.00)
Notes forming part of the accounts & Significant Accounting Policies	13		

As per our report of even date

For **MANABENDRA BHATTACHARYYA & CO.**
Chartered Accountants

Jagdish Prasad Purohit
Director

AMIT BHATTACHARJEE
Proprietor

Place : Kolkata
Date : 31st May 2010

Kailash Prasad Purohit
Director

SCHEDULES TO ACCOUNTS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
190,00,000 (Previous Year 190,000,000) Equity Shares of Rs. 10/- each	190,000,000	190,000,000
Issued, Subscribed & Paid-up		
185,55,400 (Previous Year 185,55,400) Equity Shares of Rs. 10/- each fully paid-up	185,554,000	185,554,000
	185,554,000	185,554,000
SCHEDULE 2		
RESERVES & SURPLUS		
Share Premium Account	48,263,500	48,263,500
General Reserve	12,363,000	12,363,000
Profit & Loss Account - Balance	3,230,680	4,761,722
	63,857,180	65,388,222
SCHEDULE 3		
SECURED LOAN		
Rural Electrification Corporation Ltd.*	34,174,310	34,174,310

*Loan is secured by way of 1st Charge on the of Movable Properties including Plant & Machineries, Spares, Tools and Accessories and other unencumbered movable assets both present and future situated at Kayathar and elsewhere in the stae of Tamilnadu and Equitable Mortgage of Land situated at Kayathar.

SCHEDULE 4
UNSECURED LOAN

Fixed Deposits (Including Interest)	115,207	112,977
From Bodies Corporate	7,852,872	7,852,872
	7,968,079	7,965,849

SCHEDULE 5
FIXED ASSET

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2009	Additions	As at 31.03.2010	As at 01.04.2009	For the Year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	1,312,000	-	1,312,000	-	-	-	1,312,000	1,312,000
Plant & Machinery	48,531,000	-	48,531,000	10,256,768	-	10,256,768	38,274,232	38,274,232
Office Equipments	1,463,302	0	1,463,302	914,385	-	914,385	548,917	548,917
TOTAL	51,306,302	0	51,306,302	11,171,153	-	11,171,153	40,135,149	40,135,149
Previous Year	51,263,382	42,920.00	51,306,302	11,171,153	-	11,171,153	40,135,149	40,092,229

SCHEDULES TO ACCOUNTS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 6		
INVESTMENTS		
UNQUOTED (AT COST)		
Investment in Equity Shares of Unlisted Companies	379,761,155	<u>393,239,422</u>
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors		
(Unsecured, Considered Good)		
Outstanding for more than six months	11,560	11,560
Other Debtors	-	-
	11,560	<u>11,560</u>
Cash & Bank Balances		
Cash Balance	824,733	1,569,777
Balance with Scheduled Bank	389,079	208,580
	1,213,813	<u>1,778,357</u>
Loans, Deposits & Advances		
(Unsecured, Considered Good)		
Loans (Including Interest)	746,482	593,982
Advances (Recoverable in Cash or kind)	5,700,000	5,700,000
Advances (Against Equity Shares)	41,215,258	38,751,258
Share Application Money	47,876,850	33,276,850
Security Deposit	3,000	3,000
TDS	383,421	383,421
Total	95,925,011	<u>78,708,511</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	279,903	279,903
Advance	208,602,500	203,900,000
Deferred Tax Adjustments	16,242,359	16,242,359
	225,124,762	<u>220,422,262</u>
Liabilities & Provisions		
For Expenses	33,708	33,708
For Taxation	17,145	17,145
For Fring benefit Tax	11,112	11,112
Others	306,391	306,391
Total	368,356	<u>368,356</u>

SCHEDULES TO ACCOUNTS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 9		
OTHER INCOME		
Commission Recd.	-	103,440
Interest Recd.	-	289,774
Other income	359,233	-
Dividend Recd.	-	3,000
	359,233	396,214
SCHEDULE 10		
PERSONNEL EXPENSES		
Salary (including Directors' Remuneration) & Bonus	141,000	141,000
Contribution towards Provident Fund	36,132	36,132
Staff Welfare Expenses	21,000	17,500
	198,132	194,632
SCHEDULE 11		
ADMINISTRATIVE EXPENSES		
Conveyance & Travelling	676,889	145,946
Legal & Professional Charges	28,000	25,700
Advertisement	3,405	25,550
Printing & Stationery	45,000	48,040
Postage & Telephone	16,000	14,060
Rent	36,000	36,000
Demat charges	1,250	1,600
Bank Charges	4,032	52,382
Share Registrar's Charges	12,316	25,615
ROC Filing Fees	-	3,000
Miscellaneous Expenses	101,949	153,329
Share Holders' Meeting Expenses	30,000	26,000
Travelling & Conveyance	72,979	-
Office Expenses	425,175	-
Computer Maintenance charges	5,685	-
Listing, Depository & Other Fees	176,953	140,711
Donation & Subscription	10,000	8,690
Audit Fees	33,900	33,708
	1,679,533	740,331
SCHEDULE 12		
EARNING PER EQUITY SHARE		
Net Profit after tax available for Equity Shareholders	(1,518,432)	(624,861)
No. of Equity Shares	185,554,000	185,554,000
Basic and Diluted Earning per Share (Rs.)	-0.01	-0.00

SCHEDULE 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

Financial statements have been prepared on Historical Cost convention and in accordance with normally accepted accounting principles.

2. Income & Expenditure Recognition

All Income & expenditure have been accounted for on accrual basis except Dividend which is accounted for on Cash basis.

3. Fixed Assets

- a. All Fixed Assets are accounted for at cost inclusive of Legal and / or installation and incidental Expenses less Depreciation.
- b. Depreciation on Fixed Assets has been provided on Written-Down Value (WDV) as per rate prescribed under schedule XIV to the Companies Act.1956. No Provision of Depreciation of Plant & Machinery and office equipments.

4. Valuation of Investment in Shares :

Investments in shares & securities have been valued at Cost.

5. Gratuity :

None of the Employee has completed the service period to become eligible for payment of Gratuity.

6. Deferred Revenue Expenditures :

- a. No Share issue expenses and Preliminary expenses are being written off during the year.
- b. No Deferred Revenue Expenditure is being written off during the year.

7. Taxation :

Income Tax expenses comprise current tax and deferred tax charges to credit. The deferred tax charges to credit are recognized using current tax rates. When there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if the is virtual certainty of realization of such assets. Other deferred assets are recognized only to the extent there is reasonable certainly of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year and available case law, to reassess realization/liabilities.

B. NOTES ON ACCOUNTS

- 1. Estimated accounts of Capital Contracts remaining to be executed on Capital Account & not provided for : Rs. NIL
- 2. Earning / Expenditure in foreign Currency : Rs. NIL

3. The Company has not provided Depreciation on Wind Power Project and Office Equipments.
4. The Reserve Bank of India has rejected renewal application of the Company as NBFC.
5. The Company has not made provisions for non-performing assets as per prudential norms prescribed by Reserve Bank of India.
6. The Company has valued the Investments at cost against the cost or Market value of each scrip individually as recommended by accounting standard issued by the Institute of Chartered Accountants of India. As a value of invest has been shown higher.
7. The Company has made no provision for interest accrued amounting to in respect of fixed deposits and unsecured Loans and no provision for interest Secured Loan from Rural Electrification Corporation during the year.

8. A QUANTITATIVE INFORMATION IN RESPECT OF WIND ENERGY

- a. Licensed Capacity : Not Applicable for the year
- b. Installed Capacity : 1.23 M.V.
- c. Actual Production : Nil

9. In our opinion of the Board of Directors, Currents Assets, Loans & Advances have a value on the realization in the ordinary course of business at cost equal to amount what has been in the Balance Sheet.
10. Certain Debit and credit balances including Sundry debtors and Creditors, Bank balances and Advances are subject to confirmation and consequential reconciliation thereof.

11. Auditors Remuneration :

	31.03.2010	31.03.2009
For Audit	28000.00	28000.00
For Tax Audit	5900.00	5000.00

12. Related Party Disclosures

a) Key Management Personnel & Relatives

Name of Related Party	Nature of Relationship
Mr. Jagdish Prasad Purohit	Chairman & Managing Director
Mr. Kailash Prasad Purohit	Whole-time Director
Mr. Dhruva Narayan Jha	Director
Mrs. Saroj Devi Kothari	Director

b) Enterprises in which above person has significant influence :-

Name of Related Party	Nature of Relationship
Prime Capital Market Ltd.	Jagdish Prasad Purohit, M.D.

c) Transactions with the Party mentioned in a) above :-

Sum of Rs. 69000/- has been paid to Mr. Dhruva Narayan Jha towards Directors' sitting Fees. Apart from this, there is no transaction with any of above parties.

13. Segment Report

The Company has operated only in a segment during the year thus Segmental Report is not applicable for the year under review.

14. Company has recorded the cumulative net deferred tax liabilities of Rs.1,62,42,359/- since 31st March 2003, which has been debited to Profit & Loss appropriation. Deferred tax adjustment for the year ended 31st March, 2010 amount to Rs. Nil (Additional Provision required for deferred tax Liabilities accrued during the year.

15. Earning per Equity Share

	Unit	31.03.2010	31.03.2009
Numerator used : Profit (Loss) after Tax	Rs.	-1531042	-636042
Denominator used : No. of Equity Shares of Rs. 10/- each outstanding for the year	No.	18555400	18555400

16. Information required under part IV of the Companies Act has been given Annexure - I
17. Information pursuant to Paragraph 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 has been given in Annexure II.
18. The Company has operated in only one segment i. e. Finance and Investment, no segment wise report are applicable as required under AS- 17 issued by ICAI.
19. Previous Years' figures have been regrouped / rearranged wherever necessary as to make them comparable with figures of the year under consideration.
20. Schedule "1" to "13" forms part of the balance Sheet and Profit & Loss Account.

As per our report of even date

For **MANABENDRA BHATTACHARYYA & CO.**
Chartered Accountants

Jagdish Prasad Purohit
Director

AMIT BHATTACHARJEE
Proprietor

Place : Kolkata
Date : 31st May 2010

Kailash Prasad Purohit
Director

**Statement of Cash Flow Annexed to the Balance Sheet
as at 31st March, 2010**

	31.03.2010	Rs. in Lacs 31.03.2009
	Rs.	Rs.
A. Cash Flow from Operating Activities		
<i>Net Profit before tax and extraordinary Items</i>	(1,518,432)	(613,749)
<i>Adjustments for</i>		
Depreciation	-	-
Preliminary/ Share issue exp. Written off	-	75,000
<i>Operating profit before working capital changes</i>	(1,518,432)	(538,749)
<i>Adjustments for</i>		
Decrease (Increase) in Trade and other Receivables	-	-
Inventories	-	-
Loans & Advances	(17,216,500)	(39,581,895)
Increase (Decrease) in Trade Payable and Provisions	4,702,500	203,881,220
<i>Cash Generated from operations</i>	(12,514,000)	164,299,325
Income Tax Paid For The Year	(12,610)	(11,184)
Net Cash From Operating Activities	(14,045,042)	163,749,392
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-	42,920
Sale of Investments	13,478,267	(161,829,916)
Dividend Received	-	-
Net Cash from Investing Activities	13,478,267	(161,786,996)
C. Cash Flow From Financing Activities		
Repayment of Long Term Borrowings	2,230	(392,230)
Financial Expenses Paid	-	-
Net Cash used in Financing Activities	564,544	(1,570,166)
<i>Net Increase in Cash & Cash Equivalents</i>	(564,544)	(1,473,214)
<i>Opening Balance of Cash & Cash Equivalents</i>	1,778,357	1,778,357
<i>Closing Balance of Cash & Cash Equivalents</i>	1,213,813	305,143

For and on behalf of the Board

Kolkata, May 31, 2010

**Jagdish Prasad Purohit
Chairman & Managing Director**

We have verified the attached Cash Flow Statement of Warner Multimedia Limited derived from Audited Financial Statements and the books and records maintained by the Company for the year ended 31st March, 2010 and found the same in agreement therewith.

For MANABENDRA BHATTACHARYYA & CO.
Chartered Accountants

Kolkata, May 31, 2010

AMIT BHATTACHARJEE
Proprietor
Membership No.50714

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	:	36338
State Code No.	:	11
Balance Sheet Date	:	31.03.2010

II Capital raised during the year

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

III Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)

Total Liabilities	:	291554
Total Assets	:	291554

Sources of funds

Paid-up Capital	:	185554
Reserves & Surplus	:	63857
Secured Loans	:	34174
Unsecured Loans	:	7968

Application of funds

Net Fixed Assets	:	40135
Investments	:	379761
Net Current Assets	:	-128343
Miscellaneous Expenditures	:	Nil
Accumulated losses	:	Nil

IV Performance of Company (Amount in Rs. in Thousands)

Turnover	:	359
Total Expenditure	:	1878
Profit before taxes	:	-1518
Profit after taxes	:	-1518
Earning Per Share	:	-0.01
Dividend rate	:	Nil

V Generic Names of Three Principal Products/Services of the Company

<u>Product Description</u>	<u>Item Code No.</u>
NBFC	N.A.
SOFTWARE DEVELOPMENT	N.A.

WARNER MULTIMEDIA LIMITED

75C, Park Street, Kolkata-700 016.

PROXY FORM

I/We _____ resident of _____
in the district of _____ being member/members of the above
named Company, hereby appoint _____
resident of _____ in the district of _____ or
failing him _____ resident of
_____ in the district of _____
_____ as my/our proxy to attend and vote for me/us on my/our behalf
at the Annual General Meeting of the Company to be held on Wednesday, the 28th day of
July 2010 at 11.30 A.M., at P-27, Princep Street, 3rd Floor, Kolkata-700 072 and any
adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2010.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp



WARNER MULTIMEDIA LIMITED

75C, Park Street, Kolkata-700 016.

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on
Wednesday, the 28th day of July 2010 at 11.30 A.M., at Registered Office of the Company at
P-27, Princep Street, 3rd Floor, Kolkata-700 072 .

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to :

WARNER MULTIMEDIA LIMITED

7500 Central Expressway, Santa Ana, CA 92705
Tel: 714 761-1000 Fax: 714 761-1001