

26th
Annual Report
2008-2009

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WARNER MULTIMEDIA LIMITED

Warner Multimedia Limited

26th Annual Report 2008 - 2009

BOARD OF DIRECTORS

Jagdish Prasad Purohit
Kailash Prasad Purohit
Dhruva Narayan Jha
Saroj Devi Kothari

Chairman & Managing Director
Whole Time Director
Independent Director
Independent Director

REGISTERED OFFICE

75C, Park Street
Kolkata-700 016

BANKERS

Axis Bank Ltd.
Federal Bank
Kotak Mahindra Bank Ltd.
Syndicate Bank

AUDITORS

M/s. Saral Kumar Ganguly
Chartered Accountant
8, Strand Road
Kolkata - 700 001

REGISTRAR & SHARE TRANSFER AGENT

Purva Share Registry (India) Pvt. Ltd.
9, Shiv Shakti Ind. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011

ANNUAL GENERAL MEETING

Date : 16th September, 2009
Time : 11.30 A.M.
Venue: P-27, Princep Street, 3rd Floor
Kolkata-700 072

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

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of **WARNER MULTIMEDIA LIMITED** will be held on Wednesday, the 16th day of September, 2009 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 2009.
2. To appoint Director in place of Mr. Kailash Prasad Purohit, 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 their remuneration.

Kolkata, 26 June, 2009

By order of the Board
For **WARNER MULTIMEDIA LIMITED**

Sd/-

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 10th September 2009 to 16th September 2009 (both days inclusive).
3. Members desirous of getting any information about the accounts of the Company are requested to serve 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.
4. 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 Industrial Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011
5. 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.
6. Members are requested to bring copies of Annual Report to the Annual General Meeting.
7. The Members/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
8. Members are requested to quote Folio Number/Client ID in their correspondence.
9. The Equity shares of the Company are listed on Kolkata, Mumbai, Delhi, Ahmedabad & Jaipur Stock Exchanges and Listing Fees for the financial year 2009-2010 have been paid to Kolkata & Bombay Stock Exchanges.

Kolkata, 26 June, 2009

By order of the Board
For **WARNER MULTIMEDIA LIMITED**

Sd/-

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 Sixth Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2009.

(Rs. in Lacs)

Financial Results

	Year Ended 31.03.2009	Year Ended 31.03.2008
Income	3.96	4.79
Profit before Tax & Extraordinary Items	(6.14)	(10.23)
Less : Provision for Taxation	0.11	0.00
Profit after Tax	(6.25)	(10.23)
Add : Profit brought forward from Previous Year	53.98	56.69
Add : Prior Period Adjustments	(0.11)	7.51
Balance carried forward to Next Year	47.62	53.98

DIVIDEND

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

ECONOMIC SCENARIO AND OUTLOOK

The financial year 2008-2009 was unparalleled, with the unfolding of an unprecedented financial crisis on Wall Street, Falling property prices, coupled with massive leveraging, sparked off the sub-prime crisis in the housing mortgage sector in the US. Due to tight integration of the financial markets across the world, this contagion has spread to the global banking sector. Finally, this has traversed from the financial to the real estate sector, and has participated into a global economic slowdown.

The Central Government of India and the Reserve Bank of India have announced fiscal and monetary measures to revive growth. The Government is seeking to boost through various stimulus packages by way of enhanced expenditure on infrastructure and through tax reductions. However, business confidence and economy may take a while to rebound due to the traditional lag effect associated with stimulus packages.

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 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 being not resolved between the parties. The Company is also trying to recover loan 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 face the Company are the ones face the industry today and these have been mentioned periodically. These risks includes innovation of new technologies, fall in demand in the market, increase in prices of products and services, 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 regard to the Windfall Energy Plant, the Company is trying to resolve all issues with Rural Electrification and Development Ltd. to get back the Factory premises as well as its Machineries and hopeful of repaying loan through one-time settlement. Biggest concern is that if the Company fails to resolve dispute, because of any reason, may cause the serious damage to the Company.

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 equipment. 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 endeavours 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.

FIXED DEPOSITS

During the year the Company has reduced its liabilities of Public Deposits by Rs.5.05 Lacs out of Rs.3.92 Lacs. There were matured deposits amounting to Rs.1.13 Lacs, of which part have been paid and the Balance is pending for as requisite documents have not been submitted by Depositors to the Company. The Company has not accepted any Public deposit during the year pursuant to the provisions of Section 58A of the Companies Act, 1956 under review.

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. Kailash Prasad Purohit who retires by rotation are eligible, offers himself for re-appointment.

Except Mr. Jagdish Prasad Purohit brother of Mr. Kailash Prasad Purohit none other Directors are interested in re-appointment of Mr. Kailash Prasad Purohit.

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

AUDITORS

Auditors M/s. Saral Kumar Ganguly, Chartered Accountants, Kolkata holds the office until the conclusion of ensuring Annual General Meeting. Members are requested to appoint new Auditors in place of M/s. Saral Kumar Ganguly 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 Director's 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 annual accounts, for the year ended 31st March 2009, 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, Vendors, Banker, Service Providers and Governmental and Statutory Authorities for their continued support.

Kolkata, 30 June, 2008

By order of the Board
For WARNER MULTIMEDIA LIMITED

Sd/-

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

JAGDISH PRASAD PUROHIT
Chairman & Managing Director.

Annexure to the Directors' Report

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange.

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 10 times on 3rd April, on 15th May, 30th June, 31st July, 16th August, 19th August, 22nd September and 31st October in year 2008 and on 28th January and 30th January in the year 2009 during the financial year 2008-2009.

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 Meeting Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd.
Jagdish Prasad * Purohit	Chairman & Managing Director	10	Yes	1	1	4
Kailash Prasad Purohit	Whole time Director	10	Yes	1	1	2
Dhruva Narayan Jha	Independent Director	10	Yes	1	1	2
Saroj Devi Kothari	Independent Director	10	Yes	3	Nil	Nil

*Chairman of the Board

AUDIT COMMITTEE

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

The primary Purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Warner Multimedia Ltd., (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements and the performance of the Company's internal audit function and its Independent Auditors.

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 :

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

The members of Audit Committee met four times on – 30th June, 31st July and 31st October in year 2008 and on 30th January 2009 during the financial year ended on 31st March 2009.

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

Chairman of the Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is 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. Dhruvo Narayan Jha towards Directors' Sitting Fees. No Stock option has been allotted to any of the Directors during the financial year 2008-2009. 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. Dhruvo Narayan Jha and Mrs. Saroj Devi Kothari.

The members of Share Transfer Committee met four times on – 30th June, 31st July and 31st October in year 2008 and on 30th January 2009 during the financial year ended on 31st March 2009.

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

Chairman of the 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 Directors. The Committee meets once a month and inter-alia, deals with various matters 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 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 Meeting. 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 2, June 2, July 1, August 1, September 1, October 1, November 1, and December 1 in year 2008 and on January 6, February 2 and March 2, in year 2009.

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 received one complaint from a share holder which is yet to be resolved and is pending at the close of the financial year.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
25 th Annual General Meeting	19 th September 2008, 11.00 AM	P-27, Princep Street, 3rd Floor, Kolkata - 700 072.
24 th Annual General Meeting	21 st September 2007, 11.00 AM	P-27, Princep Street, 3rd Floor, Kolkata - 700 072.
23 rd Annual General Meeting	27 th September 2006, 10.30 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 OR 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.

SUBSIDIARIES

The Company does not have any material non-listed 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 ID 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.