

**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



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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 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 Sharegistry (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, none 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 Chairman-ship	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