



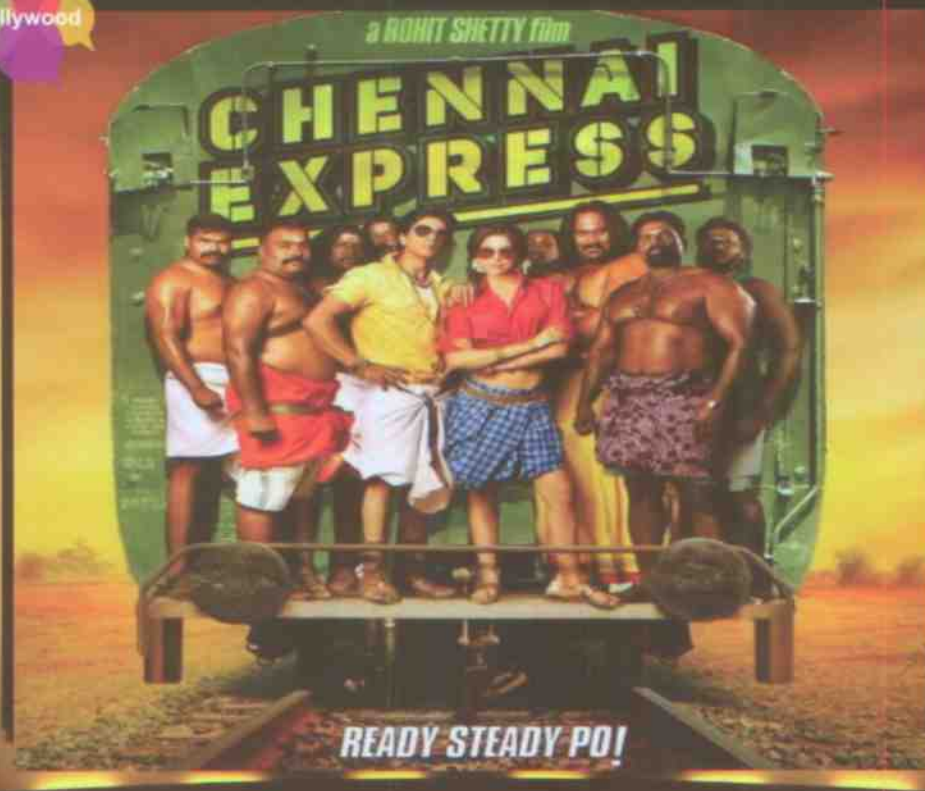
InterWorld

DIGITAL CINEMA

Redefining

NexGen **3D** Entertainment

100 Years of Bollywood



Shown In Our 95% Theaters

Interworld Digital Ltd.

Digital Cinema - Mobile Communication - New Media



Annual Report 2012 - 2013

Passion – Commitment – Integrity – Innovation - Service

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Welcome To Our Ad World

Welcome to the New Power of Cinema

Digital Cinema and Advertising are two sides of the same coin – Both grab viewer's attention, both have a message to convey and as cinema goes digital can the advertising world be left behind?

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Man Mohan Gupta	Managing Director
Mr. Peeyush Kumar Aggarwal	Director
Mr. Shiv Nandan Sharma	Director
Mr. Kamal Kishore Sharma	Director

COMPANY SECRETARY

Ms. Heena Jain
Company Secretary & Compliance Officer

AUDITORS

M/s . RMA & Associates, Chartered Accountants

BANKERS

Vijaya Bank
Bank of India

REGISTERED OFFICE

701, Arunachal Building, 19, Barakhamba Road,
Connaught Place, New Delhi-110 001

CORPORATE OFFICE

110, Linkway Estate, New Link Road,
Malad (W), Mumbai-400 064

REGISTRAR & SHARE TRANSFER AGENTS

Skyline Financial Services Private Limited
D-153/A, 1st Floor , Okhla Industrial Area,
Phase -1, New Delhi-110020.

LETTER TO SHAREHOLDERS

To
Dear Shareholders,

It gives me immense pleasure to write to you at the end of another successful year at Interworld.

I am happy to inform that your company has achieved an impressive performance in 2012-13. We want to sustain this progress to ensure that the company continues on its growth trajectory.

The Current economic environment requires a quest to succeed against odds and pursuit for efficiency in everything we do. Details of our growth strategies and your Company's performance during the 2012-13 fiscal have been elaborated in the Management Discussion & Analysis section of this Annual Report. I would like to take this opportunity to talk about a major initiative that your Company undertook during the year, a move that helped beat the recessionary trends and emerge stronger.

Apart from Digital Cinema, Your Company has focused on Digital Advertising. Digital Advertising is a way of promoting brands and products, using various online features. With the growing popularity of the Internet, customers began to form communities and discuss about the brands they are interested in. Today most customers either buy their stuff online or consult a review website or community before making a purchase. Your company is now empanelled with DAVP, Ministry of Information & Broadcasting to accept the advertisement from various Govt. Departments and Ministries. Your Company has also got ISO 9001:2008 Certification in Social Media and Digital Advertising. We have also tied up with Master Image 3D, PLC. UK for providing 3D system in India to the theaters.

Further, your Company is in the process to approach 10000 Housing societies in all metros to setup Interworld's Club House Cinema to enjoy First Day First Show. The concept is highly praised by senior citizens who cannot go to theaters due to certain reasons. They can enjoy not only movies but other alternative content like sports, health shows, live webinars, interviews, celebrity chats and onscreen shopping. Interworld's Club-House Cinema model will also establish a new dimension in entertainment for Boardrooms, Home Cinemas, Farm House Cinemas, Lesiure Rooms at Railway Stations, Airports, Bus Stops, Malls having no multiplexes and Ships carrying passengers and any suitable place where people like to enjoy First Day First Show.

Interworld for the first time in India presented the 40 seated miniplex model in 2005. Now due to technological advancement and reduction in cost of equipments, Interworld's Club House Cinema Model is very attractive and in reach of most decision takers.

Your Directors by taking such prominent steps have always kept the generous thought for their shareholders and their successors to 'Building Tomorrows' for them.

Your Company, continue to emerge stronger through constant innovation, Services launches, marketing and creating relationship with consumers on an ongoing basis .We have further added Services in line with our philosophy to being a trusted Advertisement brand. We would please to know that the consumers have warmly accepted the Services. We apprehend a similar growth trajectory in the current year as well. I am happy to share with you some important milestones that your company reached pursuit of its vision.

As in the past, I, on behalf of our entire team, assure you of our singular commitment to the growth of Company with ethics and integrity.

I would like to thank the Board for the imagination, the Employees for the inspiration and the shareholders for their support to help us stay focused on building a company that keeps on delivering strong results year on year and in all its endeavors, stays Committed, Confident and keeps Creating Quality and Winning Trust.

I look forward to your continuing patronage and trust in our mission

Sd/-

Man Mohan Gupta

(Chairman & Managing Director)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INTERWORLD DIGITAL LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2013, AT 701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI-110 001 AT 09:30 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March, 2013, Statement of Profit & Loss for the financial year ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Peeyush Kumar Aggarwal, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and in this connection to consider, and, if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT M/s RMA & Associates, Chartered Accountants, New Delhi, the Company's retiring auditors, being eligible and offering themselves for reappointment, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Kamal Kishore Sharma who was appointed as an Additional Director of the Company with effect from 20th March, 2013 and who holds office upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the company, who will be liable to retire by rotation."

For and on behalf of the Board
Sd/-
Heena Jain
Company Secretary

Place : New Delhi
Date : 02.09.2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at Annual General Meeting is annexed herewith.

3. The Register of Members and the Share Transfer books of the Company will remain closed on 27th September, 2013 to 30th September, 2013 (both days Inclusive) for the purpose of Annual General Meeting.
4. Members/proxies should bring their copy of the Annual Report for reference at the meeting & also the attendance slip duly filled in for attending the meeting.
5. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
6. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
7. Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited. Members holding equity shares in dematerialized form are requested to notify change of their address/ Bank account details with their Depository Participants.
8. The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. We therefore, request you to provide your email ID to our Registrar and Share Transfer Agent (RTA) which is Skyline Financial Services Private Limited having its Corporate Office at D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020. We intend using email addresses provided by you to the Depositories viz. NSDL/CDSL and available to the Company from time to time, to send various notices/documents, etc.
9. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent or the Company.
11. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to Skyline Financial Services Private Limited.
12. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statements, as required by Section 173 of the Companies Act, 1956, set out all Material facts relating to the business under Item No. 4 mentioned in the accompanying Notice dated 02.09.2013

ITEM NO 4.

The Board of Directors at its meeting held on 20/03/2013 has appointed Mr. Kamal Kishore Sharma as Additional Director of the Company. As per the provisions of Section 260 of the Companies Act, 1956 he holds office only upto the conclusion of this Annual General Meeting and are eligible for appointment as Director liable to retire by rotation. The Company has received a notice under Section 257 of the Companies Act, 1956, in respect of the aforesaid candidate, proposing his appointment as Director of the Company.

Mr. Kamal Kishore Sharma, aged 50 years, is a Commerce Graduate from Delhi University He has an enriched experience of over 25 years in establishing & managing manufacturing units, trading & Retail business. He has significant expertise in preparing business plans, business valuation, Real Estate business, Finance &

Taxation & Financial services. His business interests today are in the areas of Real estate, Retail & Infrastructure and Stock Broking activities. He has always demonstrated a certain dynamism and foresight seen in the most pragmatic of professional.

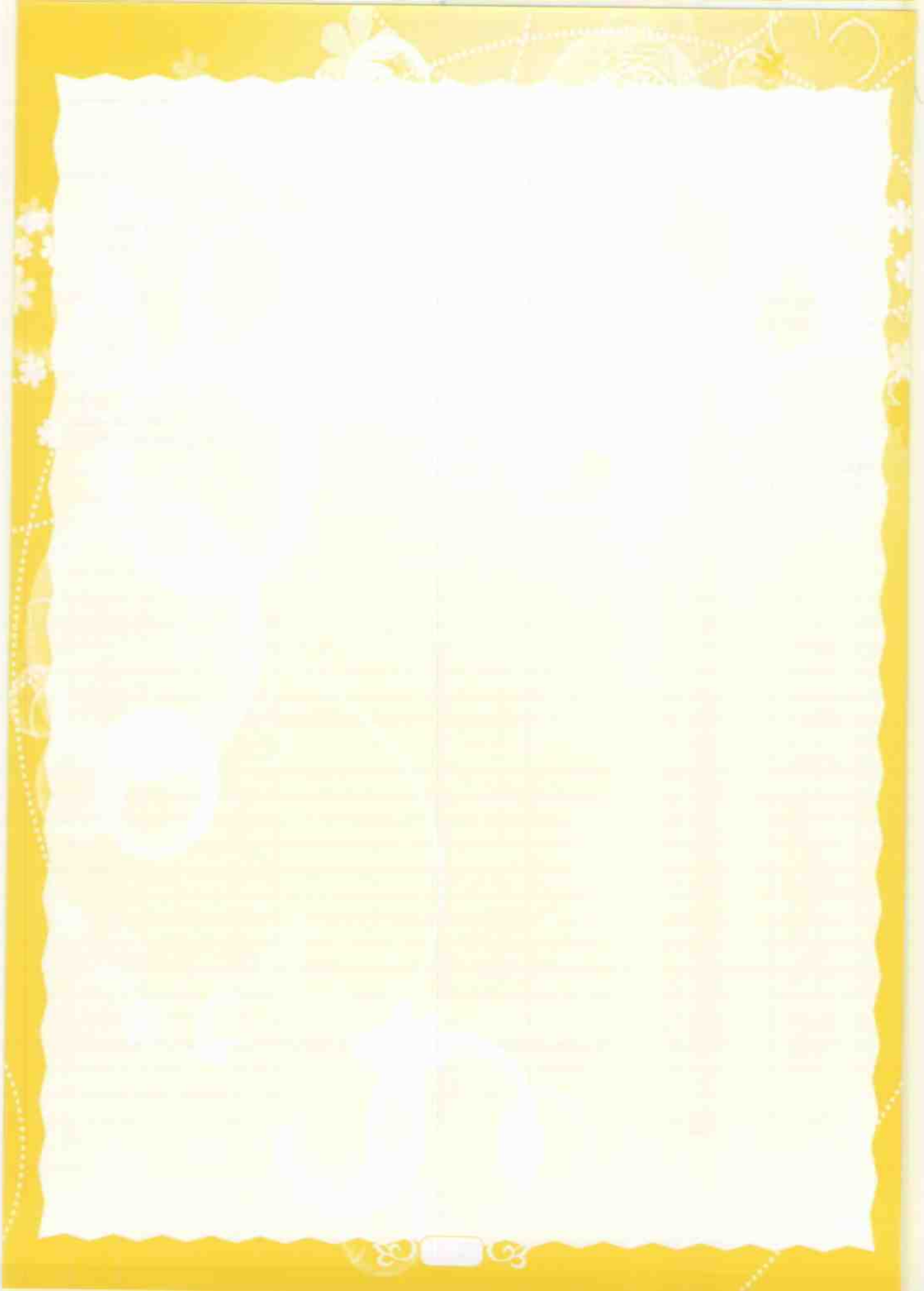
Keeping in view the experience and expertise of Mr. Kamal Kishore Sharma, the Board considers it desirable that the Company should continue to avail the services of Mr. Kamal Kishore Sharma and accordingly commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors, except Mr. Kamal Kishore Sharma are concerned or interested in the Resolution of the accompanying Notice relating to his own appointment.

For and on behalf of the Board

**Sd/-
Heena Jain
Company Secretary**

**Place : New Delhi
Date : 02.09.2013**



DIRECTOR'S REPORT

To,
The Members,

I am privileged to present, on behalf of the Board of Directors, 18th Annual Report on the business and operations of your Company for the Financial Year ended on 31st March, 2013 together with Audited Statement of Accounts, Auditor's Report for the period ended on 31st March 2013.

FINANCIAL RESULTS

The financial results of the Company for the period under review are summarized below. The previous figures in the financial statements have been regrouped, wherever necessary:

(Rs. In Lacs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Income from Operations	1597.39	1152.14
Other Income	15.47	17.39
Total Income	1612.86	1169.53
Total Expenditure	1430.90	1032.87
Profit before Depreciation, Interest & Tax (PBDIT)	181.96	136.66
Interest	6.51	3.73
Depreciation	110.84	93.73
Profit before tax	64.61	39.20
Provision for taxation	12.31	7.47
Deferred Tax	10.00	13.49
Profit after tax (PAT)	42.30	18.24
Profit brought forward from previous year	287.93	269.69
Balance carried to Balance Sheet	330.23	287.93
Paid-up equity share capital	4783.77	783.77
Reserves & Surplus	7809.64	1477.45

OPERATIONS

During the year, company was engaged in expansion of business activities and also undertook some new projects for expansion of its business activities worldwide and implementation of the same is going on. Your Company has also moved on to Digital Advertisement Segment. Digital advertising refers to marketing media that is digitally displayed.

Further, your Company is in the process to approach 10000 Housing societies in all metros to setup Interworld's Club House Cinema to enjoy First Day First Show. The concept is highly praised by senior citizens who cannot go to theaters due to certain reasons. They can enjoy not only movies but other alternative content like sports, health shows, live webinars, interviews, celebrity chats and onscreen shopping. Interworld's Club-House Cinema model will also establish a new dimension in entertainment for Boardrooms, Home Cinemas, Farm House Cinemas, Lesiure Rooms at Railway Stations, Airports, Bus Stops, Malls having no multiplexes and Ships carrying passengers and any suitable place where people like to enjoy First Day First Show.

Interworld for the first time in India presented the 40 seated miniplex model in 2005. Now due to technological advancement and reduction in cost of equipments, Interworld's Club House Cinema Model is very attractive and in reach of most decision takers.

Your directors wish to inform you that during the year under review, your Company performed well as

compared to the previous year's performance. During the year under review, your company's total income was 1612.86 Lacs in as compared to Rs 1169.53 Lacs in the previous financial year. The operating profit for the year ended March 31, 2013 is Rs. 64.61 Lacs as compared to Rs. 39.20 Lacs in the preceding financial year. The profit after tax in 2012-13 is Rs.42.30 Lacs and was Rs. 18.24 Lacs in 2011-12.

SHARE CAPITAL

During the financial year 2012-13, there has been no change in the Authorised Share capital of the Company.

However, Board of Directors at its Meeting held on May 08, 2012 has approved the allotment of 40 Crores equity shares to promoters and non promoters group. This allotment was made pursuant to conversion of Fully Convertible Warrants into Equity Shares. Hence, as on 31.03.2013, the paid up share capital of the company is Rs. 47,83,77,000.

DIRECTORS

Mr. Peeyush Kumar Aggarwal, Director of the Company retires by rotation at the ensuing Annual General Meeting of your Company and, being eligible, has offered himself for re-appointment.

Mr. Peeyush Kumar Aggarwal is a Fellow Member of the Institute of Chartered Accountants of India with his professional career spanning over 26 years and with over 15 years experience as a practicing CA covering the key areas of Corporate Laws, Finance & Taxation, Project Management, Imports & Exports, IT Consultancy, etc.

A first generation Entrepreneur having a clear business vision and practicing a hands-off approach, he has mastered the art of Mergers & Acquisitions. His business interests today are in the areas of Information Technology, Finance, Legal, Strategic Planning, Project Planning & execution, Import & Export, Share Registry, Stock Broking, Construction & Hospitality.

He is a very enthusiastic entrepreneur with diverse business interest. Mr. Peeyush Kumar Aggarwal is the Founder and Chairman of Omkam Group. Before starting the Group, he practiced as a Chartered Accountant for about 15 years. He is an emerging Venture Capitalist who has helped several young entrepreneurs in establishing and growing their dream businesses

Your Board recommends his re-appointment.

PUBLIC DEPOSIT

During the year, your Company has not accepted any Deposits under Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

Statutory Auditors M/s. RMA & Associates, Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

DIVIDEND

The Board is of the view that the Company should take advantage of the tremendous growth potential. Accordingly, the directors do not recommend any dividend for the year ended March 31, 2013.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF COMPANIES ACT, 1956

Pursuant to Section 217(2AA) of the Companies (Amendment Act), 2000, the Directors of your Company would like to inform the members that the Audited accounts for the Financial Year ended 31st March 2013 are in full conformity with the requirement of the Companies Act 1956. The Directors further confirm that:

- i) in the preparation of the Annual Accounts, applicable accounting standards have been followed and proper explanation relating to material departures, if any, has been given.
- ii) the accounting policies are consistently applied and reasonable, prudent judgment and

estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.

- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

The Directors hereby wish to place their appreciation for the efficient and loyal services rendered by the staff of the Company. The Company has not paid any remuneration attracting the provisions, of the Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this regard.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, ADATATION AND INNOVATION

Information required to be provided under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in relation to Conservation of Energy and Technology Absorption are currently not applicable to the Company and therefore particulars in connection therewith are as under:

- Conservation of Energy- Nil
- Technology Absorption- Nil

FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

	(Amount in Rs.)	
	Year ended 31.03.2013	Year ended 31.03.2012
Foreign exchange earnings	NIL	NIL
Foreign exchange Outgo	5,74,389.00	6,08,378.00

CORPORATE GOVERNANCE

The Company is proactive in following the principles & practices of good corporate governance. The Company has taken adequate steps to ensure that the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges are complied with.

A separate report on Corporate Governance together with Auditors' Certificate on compliance is attached to this Annual Report as also a Management Discussion and Analysis Statement.

ACKNOWLEDGEMENTS & APPRECIATION

The Board places on record its appreciation for the continued co-operation and support extended to the Company by Banks, Stock Exchanges, NSDL and CDSL. The Board wishes to express its grateful appreciation for the assistance and co-operation received from customers, banks, auditors, legal advisors, consultants, and other business associates.

The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and, above all, the shareholders. The Board of Directors would particularly like to place on record its appreciation for the dedicated efforts of the employees at all levels.

On Behalf of the Board of Directors
Sd/-
Man Mohan Gupta
Chairman & Managing Director

Place : New Delhi
Date : 02.09.2013

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND GROWTH

Entertainment is a fourth basic need after food, clothing and shelter India is one of the fastest growing economies around the world and within this the entertainment industry is one of the most rapidly growing sectors.

The industry is expected to significantly benefit from fast economic growth. Entertainment industry growth is always higher than economic growth. This is due to the fact that when the disposable incomes rise, people spend more on leisure and entertainment. Demographically, too, India is one of the youngest nations in the world, further boosting the demand for entertainment.

The Indian media and entertainment (M&E) industry is one of the fastest growing industries in the country. Its various segments—film, television, advertising, prints media and music among others—have witnessed tremendous growth in the last few years. With A.R. Rahman and Resul Pokutty having won Oscars for their commendable work in *Slumdog Millionaire*, the spotlight has shifted on India and the immense talent and potential it offers. d DIGITAL CINEMA Company.

The Indian media and entertainment (M&E) industry has massive reach. The industry is largely driven by increased digitisation, growth of regional media, robust film industry and emergence of new media for content delivery. The Indian M&E industry is projected to grow 11.8 per cent to clock revenues worth Rs 91,700 crore (US\$ 16 billion) in 2013, according to an industry report. While conventional media such as television (TV), print and radio continue to be dominant segments, animation, visual effects, films and music are also posting strong progress owing to content and the benefits of digitisation.

Moreover, the Government's drive towards digitalisation and addressability for cable television by 2014 is expected to provide a boost to direct-to-home (DTH) and digital cable growth.

In a nutshell, alignment of entertainment, information and telecommunication is increasingly affecting India's overall M&E industry. Launch of more advanced media devices over the last decade has facilitated access of the same content on a variety of media platforms. This is helping in emergence of new business models and revenue streams, not only for content providers, but for a variety of new players becoming a part of the new media ecosystem. With all these factors well-in-place, the M&E sector certainly is marching towards new horizons of growth.

GOVERNMENT INITIATIVES

Indian Government intends to glorify and magnify the heritage of Indian films and promote the country as a Film Tourism Destination. With a view to substantiate the same, a composite delegation from the Ministry of Information and Broadcasting (I&B) and Ministry of Tourism (MoT), Government of India (GoI) participated in Cannes Film Festival 2013.

With such initiatives, the GoI wants to promote Indian cinema as a sub brand of the 'Incredible India' campaign at various international film festivals like IFFI Goa, European Film Market, and Cannes Film Festival, to develop synergy between the tourism and film industries, and to provide a platform for facilitating partnerships between the Indian and global film industry.

I&B ministry has also launched a multi-media initiative that aims to highlight the impact of Government policies at grassroots level across multiple sectors. The drive namely 'Glimpses of the India Story' would capture the journey of development in the last nine years across various sectors through the programmes and policies of the Government in India.

The multi-media initiative would be aired on television, radio, print and outdoor publicity with the objective of informing and appraising the public to encourage greater participation in such efforts.

ROAD AHEAD

India's M&E industry is expected to get double in size to Rs.1.66 trillion (US\$ 28.72 billion) by 2017, from Rs.82,000 crore (US\$ 14.19 billion) in 2012, which would be a compounded annual growth rate (CAGR) of

15.2 per cent, according to the Indian Media and Entertainment Industry Report 2013 by KPMG with an industry body.

Also, the FM radio sector is projected to touch the Rs 2,300-crore (US\$ 397.93 million) mark within three years of the roll-out of the much-awaited Phase III licences, according to estimates by CII and Ernst & Young. The sector is anticipated to close FY13 at Rs 1,400 crore (US\$ 242.22 million) with 245 private FM stations.

The Media and Entertainment (M&E) industry is one of the fastest growing sectors in India. The industry primarily involves the creation, aggregation and distribution of content, products and services, news and information, advertising and entertainment through various channels and platforms such as Television, Print, Radio, and Films.

The industry's strong growth potential is attributed to factors such as:

- Growing potential of the regional markets
- Increasing media penetration and per capita consumption
- Rising importance of New Media (online media) driven by changing media consumption patterns
- The Government's thrust on digitisation and addressability for cable television, is expected to increase the pace of digitisation leading to tremendous growth in DTH and digital cable

CINEMA AND DIGITISATION

The film industry is monitored by the Indian Motion Picture Producers' Association (IMPPA), Film Television Producers' Guild of India, The Association of Motion Pictures and Television Programme Producers (AMPTPP) and The Film Writers Association (FWA). The growth of Digitisation continues to be a key propeller the Indian M&E industry and this trend was even more pronounced in 2010. Film studios saw greater adoption of digital prints over physical and it was the first time in India that digital music sales surpassed that of physical unit sales, according to the report by KPMG and a leading industry body. Film producers and distributors preferred to release their films on digital platforms. In 2010, nearly 60 per cent of the print run was on digital and 40 per cent were physical prints. Due to better content, increase in multiplexes, investment in research and continued cost corrections, Indian film industry is estimated to grow from US\$ 1.85 billion to US\$ 2.94 billion by 2015.

Indian film industry has witnessed the arrival of digital technology in cinema over the past two-three years. Digital cinema replaces celluloid films with digital projection. Movies are filmed and then stored on digital media such as hard disks or servers. These are then distributed through physical media such as external hdds or are transmitted to digital cinema with the help of high-speed networks (satellite or optical fiber). At cinemas, these movies are beamed using special digital projectors. This technology implies several advantages for the film industry. The theater server has the capacity to store multiple digital movies, thus allowing flexibility to run multiple movies even for single screen theaters. In addition, cost per copy of digital print-at INR 3,500-5,000- is much less as against cost per copy of physical print, which stands at INR 65,000-70,000 (excluding the cost of the projector). Moreover this streamlines the distribution of cinema through satellite technology to geographically remote places. This reduces the scope of piracy and more number of people get to see the original print in lesser amount of time. The industry thus, could derive significant economic benefits from the digitization process.

MULTIPLEXES

Multiplexes are just emerging in India and there is a great opportunity for investing in theatres and multiplexes. The government's approval for 100 per cent foreign direct investment (FDI) through the automatic route and extension of tax benefits has provided the required impetus to increase the theatre/multiplex penetrations.

The Indian Film Industry has been one of the oldest segments of the Indian entertainment industry. The Lumiere Brothers brought motion pictures to India in 1896, and since then there has been no looking back. Today, India has the world's biggest movie industry that churns out around one thousand movies each year. The Indian Film Industry is witnessing mark improvements on all spheres - from the technology used in making films to the themes of the movies, exhibition, finance and marketing and even in its business environment. There is no doubt that the Indian Film Industry is finally getting corporatized in that sense. 2005 was a watershed year for the industry. Indian Film Producers are also looking overseas for co-production. And the future looks immensely bright with a number of theatres poised to go digital.

Indian filmed entertainment industry, that painted rewarding performances since past few years, pictured a relatively grim scenario in 2009. Pressured by challenges elicited within the industry and the turbulence in global economy, the industry registered a dismal growth for the year gone by. It however picked up reigns in the second half of 2009 mainly owing to the release of several of good films. This acceleration is expected to run incessantly in the next five years.

The Indian Film Industry is the largest in the world in terms of number of films produced and the number of movie goers in a year. Indian filmed entertainment industry consists of movies produced in various genres and languages. Approximately around 1000, as part of the films is produced every year in different languages, out of which 70% are produced in the Hindi language. In 2009, 235 movies were released in Hindi genre popularly referred as Bollywood. Apart from that, 1053 movies were released in Tamil, Telugu, Kannada, Punjabi, Gujarati, Bengali and other Indian languages.

One of the major policy initiatives has been the Government of India granting "industry" status to the entertainment sector in India including the film sector in 2001. This allows the sector to access institutional finance and clean credit for new projects. Industrial Development Bank of India (IDBI) was the first to enter with a funding of Rs. 100 million with 16% p.a. interest rate. However, banking and institutional finance has not been forthcoming to the film industry even today.

The Indian media and entertainment (M&E) industry has massive reach. The industry is largely driven by increased digitisation, growth of regional media, robust film industry and emergence of new media for content delivery. The Indian M&E industry is projected to grow 11.8 per cent to clock revenues worth Rs 91,700 crore (US\$ 16 billion) in 2013, according to an industry report. While conventional media such as television (TV), print and radio continue to be dominant segments, animation, visual effects, films and music are also posting strong progress owing to content and the benefits of digitisation.

Moreover, the Government's drive towards digitalisation and addressability for cable television by 2014 is expected to provide a boost to direct-to-home (DTH) and digital cable growth.

In a nutshell, alignment of entertainment, information and telecommunication is increasingly affecting India's overall M&E industry. Launch of more advanced media devices over the last decade has facilitated access of the same content on a variety of media platforms. This is helping in emergence of new business models and revenue streams, not only for content providers, but for a variety of new players becoming a part of the new media ecosystem. With all these factors well-in-place, the M&E sector certainly is marching towards new horizons of growth.

Your Company's mission is to best satisfy the customers' needs for digital delivery of multimedia information to all forms of display technologies which enhance the multimedia experience, improve the multimedia communication and reduce the cost of bringing the best quality multimedia display to the people.

SWOT ANALYSIS OF ENTERTAINMENT INDUSTRY

STRENGTHS

The entertainment industry is a strong and well developed industry which is currently growing at high rate; this aspect gives the industry a lot of strength. With the increase in the level of education and media & entertainment industry has a well educated and skilled workforce with innovative ideas and technology which is an added positive aspect of the industry. The competitiveness of the media & entertainment industry has enabled the industry to grow technically both vertically and horizontally, which is another positive aspect in the industry. India also offers strategic location and market in terms of its high population which is a boost to the industry. Indian film industry is second largest in the world and the largest in terms of the films produced and tickets sold

Technological innovations like online distribution channels, web-stores, multi- and mega-plexes are complementing the ongoing revolution and the growth of the sector. Indian film industry is second largest in the world and the largest in terms of the films produced and tickets sold. The low cost of production and high revenues ensure a good return on investment for Indian Media And Entertainment industry. Bollywood produces more than 1000 films per year and has more than fourteen million viewers who visit theatres daily to watch Bollywood movies all over the world.

Bollywood movies compete with Hollywood movies for their slots in theatres. The volume of Bollywood movies

released worldwide has become twice the number of Hollywood movies. Bollywood gives employment to many lacks of people around the world.

WEAKNESS

Among the weakness in the industry, a current weakness may be inability to adhere to ethical standards in the industry which has lead to lawsuits filled against some media industries. The industry also has been slow in its growth only picking up in the recent past, thus its innovation and marketing strategies may be not competitive on the global arena.

The Media And Entertainment sector in India is highly fragmented. When referring to "Value vs. Volume" growth, Bollywood has more volume of movies released every year but very few movies get back their return on investments. Many movies fail to make even a little impact to the audience as the movie release per month is very high. Repetition of story script and duplication of music tracks seldom makes people to lose interest for movies. Bollywood movies spoil the rich Indian values and sentiments and inflict wrong culture in younger generation's mind by influencing western practices and lifestyle.

Small producers cant shell out more money for their movie promotions and advertisements

OPPORTUNITIES

According to the industry experts the industry still has room to expand within India as the market is wide. Entertainment & Media services are being sought with many organizations and thus this offers the industry to increase its market share. The high technological innovation which is happening everyday also presents a good opportunity for the entertainment & media industry to utilize the latest technology in expanding its product mix or improving existing ones hence reaching or increasing its market. There exists new business in the global market for the industry.

THREATS

Though India can be said to be stable political, the country has known for frequent changes in government administration and instability in some regions or states, this issue negatively affects the media & entertainment industry and it is a major threat to the media & entertainment industry. Also government legislations in India are known to some extent as hindering the growth of industry especially for foreign companies.

The indirect tax structure for the entertainment sector is distorted. The incidence of indirect taxes is debilitatingly high with the entertainment taxes varying from 40% to 70% of gross box office collections. Out of the earnings, after payment of taxes, 40% goes to exhibitors and the balance is shared between the distributor and the producer. Illustratively, a Rs.10 crore financing cost with a 50% entertainment tax needs a box office collection of Rs.50 crore for breakeven and Rs.60 crore for securing a 20% rate of return on capital. This cascading tax structure, discourages investment, enhances risks and leads to large scale evasion of taxes.

Also, the current threat poised by piracy, which persists to deter investments in all media sectors has continued to threaten the industry growth. Piracy is the killer disease of the entertainment industry. Piracy levels are estimated to be around 40% to 50% of the film trade and the film industry is losing Rs.300 to Rs.400 crore a year due to piracy. While piracy is a non-bailable cognizable offence under the Copyright Act, its enforcement leaves a lot to be desired, emboldening the criminals involved in the trade.

FUTURE OUTLOOK

The Indian media and entertainment (M&E) industry is one of the fastest growing industries in the country. Its various segments—film, television, advertising, prints media and music among others—have witnessed tremendous growth in the last few years. With A.R. Rahman and Resul Pokutty having won Oscars for their commendable work in Slumdog Millionaire, the spotlight has shifted on India and the immense talent and potential it offers

The industry is expected to touch 917 billion rupees this year, up from 820 billion rupees in 2012 when it grew by 12.6 percent, KPMG said in a release on Thursday.

Digitisation, general elections due next year and accelerating growth in new media are factors propelling the industry forward, it said. In spite of Bollywood being the world's largest film industry, television dominated the media and entertainment landscape in India, growing 12.5 percent in 2012 and accounting for 370 million rupees of total revenue. Films were ranked third behind the print industry in terms of revenue, accounting for 112 billion rupees but up by 21 percent last year. The industry is expected to touch 917 billion rupees this year, up from 820 billion rupees in 2012 when it grew by 12.6 percent, as per KPMG Report. Films were ranked third behind the print industry in terms of revenue, accounting for 112 billion rupees but up by 21 percent last year.

Leading chambers of commerce such as FICCI and CII have identified entertainment as a fast growing industry. Revenues are projected to increase to \$15 billion in 2015 from \$6 billion currently. The global entertainment industry is projected to grow to Rs.2,35,000 crore in the next 10 years with nearly half of the revenues emanating from Asia. The PWC report prepared for FICCI forecasts an annual CAGR of 18% predicting the industry will touch Rs.1,45,000 crore on 2015. The KPMG CII study is more optimistic estimating the current industry size at Rs.22,200 crore and predicting that it will grow at 18% to touch Rs.1,51,500 crore by 2015.

The Indian film industry is the largest in the world in terms of number of movies produced. The industry is quite old with the first commercially successful film produced in the year 1913. The Indian film industry produces more than 1,000 films every year in 52 languages and over 3.7 billion tickets are sold annually. There are over 400 production houses in the country with 32 corporate houses in the business of film production. The film industry provides employment to over 60 lakh people and its current turnover is crossed Rs.12,000 crores for the year 2010. The turning point for the industry came in the year 2001, when the government accorded industry status for the film industry. The sector was earlier dependent on private film financiers who used to charge exorbitant rates of interest and there were also concerns regarding money laundering with many of the anti social elements getting involved in film financing. The granting of the industry status facilitated securing of finances from financial institutions at affordable rates and brought in the much needed transparency in the industry. Individual investors were the leading contributors to non traditional film financing accounting for 64% of the corpus, followed by IPO's which accounted for 16% of finance. A new source of film finance is the TV broadcaster becoming an equity investor by buying TV rights in perpetuity from the film producer.

The Indian entertainment industry is on a high growth path. Domestic majors are finding better earnings potential in the huge overseas markets. At the same time, corporatization is finally starting to emerge in this highly unorganized industry. This is likely to instill a greater discipline in the functioning of the industry and lead to greater consolidation in the future. The domestic consumer will opt for more sophisticated technology in the near future. Consequently, domestic majors will have to redefine their product offerings.

With literacy levels forecasted to increase in the future, the publishing industry will continue to witness growth. Advent of new technologies such as e-book etc will take a longer time to have an impact on the domestic market when compared to the global markets. While piracy levels are declining slowly, better copyright laws and the rapid implementation of the same are imperative to preserve the creative talent in this industry. The government needs to implement the same in order to facilitate the high growth in this industry.

The Indian Media & Entertainment (M&E) sector is a sunrise industry. The momentum of spends on leisure and entertainment is higher than the economic growth, owing to favourable demographics and rising disposable incomes. With new media, or rather digital media, making a rage, the Indian M&E industry is standing at a new inflection point.

Rise in digital content consumption, launch of innovative content delivery platforms, higher penetration in tier II and tier III cities, enhancing reach of regional media and regulatory shifts are major factors that are driving the growth of the sector. The entire M&E landscape is witnessing a shift; thanks to cable digitisation, wireless broadband penetration, increasing direct-to-home (DTH) penetration, digitisation of film distribution and growing internet usage.

Your Company's mission is to best satisfy the customers' needs for digital delivery of multimedia information to all forms of display technologies which enhance the multimedia experience, improve the multimedia communication and reduce the cost of bringing the best quality multimedia display to the people.

Your Directors and Management always have the clear views to strengthen the base and consistent future growth of the Company. The various steps were initiated in current year of reporting or even in the previous year also to achieve the higher growth of the Company. The Management has always strived to add more Services in its basket to make it grand and to expand the Company's reach to most parts of the world.

For the past few years, your company has been working to capture the immense opportunity of businesses involved in mobile communication. We would further like to inform you that your Company is taking sincere efforts towards growth and developments of such projects and shall be able to add the outputs and benefits from these projects to the main course of business, very soon.

Apart from Digital Cinema, Your Company has focused on Digital Advertising. Digital Advertising is a way of promoting brands and products, using various online features. With the growing popularity of the Internet, customers began to form communities and discuss about the brands they are interested in. Today most customers either buy their stuff online or consult a review website or community before making a purchase.

Further, your Company is in the process to approach 10000 Housing societies in all metros to setup Interworld's Club House Cinema to enjoy First Day First Show. The concept is highly praised by senior citizens who cannot go to theaters due to certain reasons. They can enjoy not only movies but other alternative content like sports, health shows, live webinars, interviews, celebrity chats and onscreen shopping. Interworld's Club-House Cinema model will also establish a new dimension in entertainment for Boardrooms, Home Cinemas, Farm House Cinemas, Lesiure Rooms at Railway Stations, Airports, Bus Stops, Malls having no multiplexes and Ships carrying passengers and any suitable place where people like to enjoy First Day First Show.

Interworld for the first time in India presented the 40 seated miniplex model in 2005. Now due to technological advancement and reduction in cost of equipments, Interworld's Club House Cinema Model is very attractive and in reach of most decision takers.

Your Directors by taking such prominent steps have always kept the generous thought for their shareholders and their successors to 'Building Tomorrows' for them.

COMPANY'S OUTLOOK

TECHNOLOGY

DigiCine is technological version of conventional cinema. Technology improves the theatrical entertainment experience from the existing boring to new heights of sensational experience. The technology developed and used by Interworld is an state of art for high experience of Indian audience in all Indian climatic and environmental conditions. The self-explanatory picture will give you a complete idea of Digital Cinema system.

OUR SERVICES

Your company mainly engaged in the Services segment provides a variety of services to the corporate and class of person. Our Services consists of the following:

- ❖ Digital Cinema
- ❖ Digital Advertisement
- ❖ Out of Home (OOH)
- ❖ IPO Communication
- ❖ Digital & Social Media
- ❖ 360 Image Building
- ❖ Services with Innovation
- ❖ Mobile communication consisting of
- ❖ Mobile Marketing and advertising
- ❖ 3G Services and VAS services
- ❖ SMS Solution for Brokers and enterprises
- ❖ Web based Bulk SMS service

Incorporating the latest digital cinema technology, standard surround system and the ability to screen in 3D, Interworld's exclusive screening room offers a way to watch in style. Your Company is in the process to approach 10000 Housing societies in all metros to setup Interworld's Club House Cinema to enjoy First Day First Show. The concept is highly praised by senior citizens who cannot go to theaters due to certain reasons. They can enjoy not only movies but other alternative content like sports, health shows, live webinars, interviews, celebrity chats and onscreen shopping. Interworld's Club-House Cinema model will also establish a new dimension in entertainment for Boardrooms, Home Cinemas, Farm House Cinemas, Lesiure Rooms at Railway Stations, Airports, Bus Stops, Malls having no multiplexes and Ships carrying passengers and any suitable place where people like to enjoy First Day First Show.

Interworld for the first time in India presented the 40 seated miniplex model in 2005. Now due to technological advancement and reduction in cost of equipments, Interworld's Club House Cinema Model is very attractive and in reach of most decision takers.

RISKS MANAGEMENT

Our risk management approach comprises of three key elements, which are as follows:

Risk identification: External and internal risk events, that must be managed and identified in the context of nature and its impact on business. These risk events are assessed by management and prioritized for development of risk mitigation.

Risk mitigation: This step comprises developing of a mitigation plan for the risks identified and to be treated on priority.

Risk monitoring and assurance: Key risks are managed through a structure that cascades across the corporate and business. At the corporate level, management is responsible for the risk management process and reviewing the implementation and effectiveness of mitigation plans.

INTERNAL CONTROL SYSTEM

Your Company's internal audit team comprises professionals, supported by regional teams at our registered office and our corporate offices. In our company, regular audits of operational functions are conducted and quality team has been created for reviewing on a regular basis. This is supported by a team of external auditors whose reports are reviewed by the top management at regular intervals. Your Company has invested in adequate internal audit and control systems. Operationally speaking, all key functions have an in-built maker checker concept.

Our internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets.

HUMAN RESOURCES

Your Board believes that to build a sound and growing business in a difficult and complex industry, Employees are vital to the Company. The talent base of your Company has steadily increased and your Company has created a favorable work environment, which encourages innovation and meritocracy.

The Company's Human Resource processes ensure building a competent team of motivated employees. It is the Company's first priority to enrich its employees by promoting learning and enhancing their knowledge with special emphasis on internal and external training. The proper synchronization between the goals of the individual and that of the organization is a critical aspect and is delicately managed by the HR department.

The Company has stressed strongly on performance management linked to compensation. To recognize and reward good performance, the Company has been successfully practicing the concept of performance-based variable compensation. The reward and recognition system is duly followed through a performance appraisal system on an annual basis.

SEGMENT-WISE PERFORMANCE

The Company is into single reportable segment only.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "Forward Looking Statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or

implied. Important factors that could make the difference to the Company's operations include cyclical demand and pricing in the Company's principal markets, changes in Government Regulations, tax regimes, economic developments within India and other incidental factors.

Place : New Delhi
Date : 02.09.2013

On Behalf of the Board of Directors
Sd/-
Man Mohan Gupta
Chairman & Managing Director

CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance at **INTERWORLD DIGITAL LIMITED** is founded upon four pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability. Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place system, process and technology.

Interworld Digital Limited defines corporate governance strategically, which encompasses not only what we do as a company with our profits, but also how we make them. It goes beyond philanthropy and compliance and addresses how your company manages its economic, social, and environmental impacts, as well as its relationships in all key spheres of influence: the workplace, the market, the supply chain, the community, and the public policy realm.

Corporate governance as practiced by your company translates into being fair and civic-minded, fulfilling its duties to the entire spectrum of stakeholders, and, most importantly, making integrity an article of faith across all its operations. We started on sound and straightforward business principles, considering the interests of our stakeholders and welfare of our employees as foundation of our long term success. In addition to unwavering adherence to its philosophy and values, the Company conforms to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges stipulating Corporate Governance compliances.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive directors with not less than fifty percent of the Board comprising of non-executive Independent directors. The Board's composition meets the stipulated requirements of Clause 49 of the listing Agreement of the Stock Exchange.

As on 31st March, 2013, your Company's Board has a strength of 4 (Four) Directors comprising 1(One) Executive and 3 (Three) Non-Executive Directors out of which 2 (Two) are Non Executive Independent Directors.

The members of the Board are drawn from various fields having considerable expertise in their respective areas. Together they bring diverse experience, varied perspectives, complementary skills and vast expertise.

During the financial year under review, Nine (9) Board meetings were held on May 8, 2012, May 10, 2012, August 14, 2012, September 01, 2012, September 29, 2012, November 12, 2012, January 17, 2013, February 14, 2013 and March 20, 2013.

The Authorised Person in consultation with the Chairman drafts the Agenda of the Board Meetings. Agenda papers alongwith relevant details are circulated to all Directors, well in advance of the date of the Board Meeting. The Directors actively participated in the deliberations of the Board.

Board Members have complete and unfettered access to any information within the Company.

Details of attendance of each Director at various meetings of the Company are summarized as under:

Name	Category	Designation	No. of Board Meetings attended	Last AGM attended
Mr. Man Mohan Gupta	Executive Director	Managing Director	9	Yes
Mr. Peeyush Kumar Aggarwal	Independent Director	Director	9	Yes
Mr. Shiv Nandan Sharma	Independent Director	Director	9	Yes
Mr. Sanjay Kumar Gupta	Independent Director	Director	6	Yes
Mr. Kamal Kishore Sharma	Independent Director	Director	1	No

The Independent Directors does not have any pecuniary relationships of transaction with the Company, promoters, management that may affect their judgment in any manner.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Company has constituted a qualified and independent audit committee as required under Section 292A of the Companies Act, 1956 as also in fulfillment of the requirements of Clause 49 of the Listing Agreement. The Committee comprises 2 (Two) Non- Executive Independent Directors and 1 (One) Executive Director as members. All members are financially literate, possess sound knowledge of accounts, finance, and audit matters. The Company Secretary of the Company acts as a Secretary to the Audit Committee. The Internal Auditors of the Company attend the meetings of the Audit Committee on invitation of the Chairman of the Committee.

During the financial year 2012-13, Audit Committee met 5 (Five) times to deliberate and review the mandatory matters and other matters as are materially significant and important. Attendance record of Audit Committee members for meetings held during FY 2012-13 is given below

Name of Director	Designation	No of Meetings Attended
Mr. Sanjay Kumar Gupta	Chairman (till 17 th January, 2013)	4
Mr. Shiv Nandan Sharma	Chairman (from 17 th January, 2013)	5
Mr. Man Mohan Gupta	Member	5
Mr. Peeyush Kumar Aggarwal	Member	1

PRIMARY OBJECTIVE:

The Primary objective of the Audit Committee (the Committee) of the Company is to monitor and provide effective supervision of the management financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The role and powers of the Audit Committee is as set out in Clause 49 of the Listing Agreement(s) with Stock Exchanges and Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

1. Oversight of Company's financial reporting process and disclosure of its financial information.
2. Review with the management, quarterly and annual financial statements.
3. Review of related party transactions.
4. Review of Company's financial and risk management policies.
5. Review with the management, statutory and internal auditors, adequacy of internal control systems.
6. Recommend to the Board the appointment, re-appointment and removal of the statutory auditor, fixation of their remuneration.
7. Discussion with Statutory Auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the Statutory Auditors.
8. Discussion of Internal Audit Reports with Internal Auditors and significant findings and follow up there on and in particular internal control weaknesses.

B. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee in conformity with the requirements of Clause 49 of the Listing Agreement. The Committee comprises three Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Companies Acts as Secretary to the Remuneration Committee.

During the financial year 2012-13, Remuneration Committee met once on 10th May 2012. Attendance record of Remuneration Committee members for the meeting held during Financial Year 2012-13 is given below:

Name of Director	Designation	No of Meeting Attended
Mr. Sanjay Kumar Gupta	Chairman (till 17 th January, 2013)	1
Mr. Kamal Kishore Sharma	Chairman (from 20 th March, 2013)	-
Mr. Peeyush Kumar Aggarwal	Member	1
Mr. Shiv Nandan Sharma	Member	1

ROLE OF REMUNERATION COMMITTEE

The Remuneration Committee of the Company determines on behalf of Board and on behalf of the shareholders, the Company's policy governing remuneration payable to Executive Directors including pension rights and compensation payment.

REMUNERATION POLICY

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company.
- Track record, potential and performance of individual managers and
- External competitive environment

REMUNERATION OF DIRECTORS

The remuneration to the Managing Director is paid on the scale determined by the Remuneration Committee and approved by the Shareholders at the General Meeting. Non-Executive Directors are not paid any remuneration. However, Non-Executive Independent Directors are entitled to sitting fees for attending meetings of the Shareholders, Board and Committees thereof.

The Company does not have any Employee Stock Option Scheme.

C. SHARE TRANSFER & SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Company has constituted a Shareholders' & Investors' Grievance Committee and Share Transfer Committee in conformity with the requirement of Clause 49 of the Listing Agreement. The Committee comprises one Executive Director and two Non- Executive Directors. At present, Mr. Kamal Kishore Sharma being Non-Executive Director is the Chairman of the Committee.

Role of Shareholders' & Investors 'grievance Committee and Share Transfer Committee

The Committee frames the policy & look into the redressal of shareholders & Investors grievances pertaining to:

- 1) Transfer of shares & its timeliness.
- 2) Transmission of Shares.
- 3) Issuance of duplicate shares.
- 4) Investors/ shareholders grievance(s) pertaining to all types of matters concerning their dealing with the Company with respect to their investment in the securities of the company, more specially pertaining to non-receipt of Annual Reports, delay in transfers, non-redressal of complaint, non-receipt of Annual Reports.

4. COMPLIANCE OFFICER

Ms. Heena Jain, Company Secretary is the Compliance Officer under Clause 47 of the Listing Agreement.

5. CODE ON CONDUCT

In compliance with the Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for the Board and the Senior Management of the Company. The Board and Senior Management personnel affirm the compliance of the code of conduct annually.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is included as a separate section in this Annual Report.

7. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Statutory Auditors' Certificate is provided in this Annual Report.

8. CEO/CFO CERTIFICATION

In terms of the requirements of Clause 49(v) of the Listing Agreement, a certificate on the financial statements of the Company stating the particulars specified under the said Clause was placed and considered by the Board.

9. DISCLOSURE

A. RELATED PARTY TRANSACTIONS

Related party transactions during the year have been disclosed as required under the Accounting Standard 18 of the Company (Accounting Standards) Rules, 2006. There was no transaction of material nature with the directors or the management or their subsidiaries or relatives during the year.

B. DISCLOSURE OF COMPLIANCES BY THE COMPANY

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

C. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, the Company has followed the Accounting Standards as notified under Companies (Accounting Standards), Rules 2006, as applicable.

D. RISK MANAGEMENT

The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Board of Directors periodically reviews the risk management framework of the Company.

The Company has complied with all the mandatory requirements and has adopted non-mandatory requirements as per details given below:

(A) Chairman office

The Corporate Office of the Company supports the Chairman in discharging the responsibilities.

(B) REMUNERATION COMMITTEE

The Company has constituted Compensation Committee as detailed in hereinabove. The Chairman of the Compensation Committee is an independent director and was present at the last Annual General Meeting.

(C) SHAREHOLDERS RIGHTS

The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication" herein below and also displayed on the website of the Company. The results are not separately circulated to the shareholders.

(D) AUDIT QUALIFICATIONS

There are no audit qualifications in the Company's financial statements for the year under reference.

(E) TRAINING OF BOARD MEMBERS

No specific training program was arranged for Board members. However, at the Board/Committee meetings Professionals, Consultants as well as Senior Executives of the Company on the business related matters, risk assessment, strategy, effect of the regulatory changes etc, make detailed presentations.

(F) Mechanism for evaluating Non-Executive Board Members

The Company has not adopted any mechanism for evaluating individual performance of Non-Executive Directors.

(G) Postal Ballot

The provisions relating to Postal Ballot will be complied with in respect of matters, where applicable.

(H) Whistle Blower Policy

The Board of Directors of the Company at its meeting has approved Whistle Blower Policy of the Company and issuance of the same is under process. Further, no person has approached the Audit Committee of the Company during the year. The Company has also laid down a Code of Conduct for all its employees across the Organisation. The Code of Conduct of the Company lays down that the employees shall promptly report any concern or breach and suggests not to hesitate in reporting a violation or raising a policy concern to the Code Compliance Cell or concerned superior. The Code provides that the Company shall support and protect employees for doing so.

10. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES

In December 2009, the Ministry of Corporate Affairs had issued the Guidelines on the voluntary adoption of Corporate Governance Practices. The Company follows the Guidelines such as constitution of Remuneration Committee which determines remuneration policy, providing timely information to Board of Directors for quality decision making, identification of risks, review of internal controls and constitution and functioning of Audit Committee. While some of these Guidelines like maximum tenure of independent directors, rotation of audit firm etc. have not yet became due and the Guidelines on payment of remuneration to Independent Directors would require amendment to the Companies Act. Further, evaluations of Directors, conducting their training etc. are yet to be adopted by the Company.

11. SHAREHOLDERS' INFORMATION**(I) DETAILS OF 18th ANNUAL GENERAL MEETING OF THE COMPANY**

Day and Date	: Monday, 30 th September, 2013
Venue	: 701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001
Time	: 09:30 A.M.

(II) FINANCIAL CALENDAR

The financial year covers the period from 1st April, 2013, to 31st March, 2014.

Calendar for the financial year ending 31st March, 2014

Financial Reporting for the	Tentative time frame
First quarter end ed 30th June, 2013	Within the period as stipulated Under the Listing Agreement with the Stock Exchange from time to time.
Second quarter ending 30th September, 2013	
Third quarter ending 31st December, 2013	
Fourth quarter ending 31st March, 2014	

(III) GENERAL BODY MEETING

Details of Annual General Meeting (AGM) held during last Three Years:

Description of Meeting	Date	Time	Venue
15 th AGM	September 30, 2010	9.30 A.M.	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi- 110 001
16 th AGM	September 30, 2011	9.30 A.M.	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi- 110 001
17 th AGM	September 29, 2012	9.30 A.M.	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi- 110 001

During the year under review, no Special Resolution was passed at any general meeting of the Shareholders and no consent of the members was sought through Postal Ballot.

(IV) DATE OF BOOK CLOSURE

From 27th September 2013 to 30th September 2013 (both days Inclusive) for the purpose of Annual General Meeting.

(V) LISTING ON STOCK EXCHANGES

The Equity Shares of the Company as on March 31, 2013 are listed on the Bombay Stock Exchange Ltd. The Company states that it has not yet paid annual listing fees due to the Bombay Stock Exchange for the Financial Year 2013-2014.

(VI) STOCK CODE/ISIN NO.

Bombay Stock Exchange : 532072 (Scrip Code)

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares: INE177D01020

(VII) MARKET PRICE DATA

The Company's equity shares are listed at Bombay Stock Exchange (BSE). The monthly high and low quotations of equity shares traded on the Bombay Stock Exchange Limited during the financial year 2012-13 is as follows:

Month	Face Value (In Rs.)	BSE		
		High (Rs.)	Low (Rs.)	No of shares Traded
Apr-12	1.00	0.92	0.64	5,80,143
May-12	1.00	0.92	0.66	1,40,081
Jun-12	1.00	0.82	0.60	1,87,803
Jul-12	1.00	1.20	0.70	6,82,104
Aug-12	1.00	1.27	0.96	4,60,213
Sep-12	1.00	1.27	0.93	7,22,300
Oct-12	1.00	1.58	1.15	10,32,966
Nov-12	1.00	2.04	1.45	10,08,042
Dec-12	1.00	2.10	1.62	9,08,771
Jan-13	1.00	2.71	1.83	35,46,858
Feb-13	1.00	2.21	1.69	11,48,811
Mar-13	1.00	2.19	1.50	11,70,666

(VIII) REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020 is the Registrar and Share Transfer Agent for physical shares of the Company. Skyline is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

(IX) SHARE TRANSFER SYSTEM

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer time to time. The delegated Person(s) attend(s) to the share transfer formalities once in a fortnight. The shares for transfers received in physical form are transfer expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed and returned immediately to shareholders. Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL expeditiously.

(X) DEMATERIALISATION OF SHARES

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. International Securities Identification Number - INE177D01020 (with NSDL and CDSL)

Status of Issued Share Capital as on 31.03.2013

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form - NSDL	138635257	28.98
CDSL	29532543	6.17
Physical Form	310209200	64.85
Total	478377000	100.00

(XI) SHAREHOLDING PATTERN AS ON 31.03.2013

As on 31.03.2013, the Authorized Share Capital of the Company is Rs. 70,00,00,000/- and paid up share Capital is Rs. 47,83,77,000/- consisting of 47,83,77,000 equity shares of Re. 1/- each. The shareholding pattern of the Company as on 31.03.2013 is as follows:

S. No	Category of Shareholder	Total No. of Shares	% of shareholding
(A)	Shareholding of Promoter and Promoter Group		
	Indian		
1.	Individuals / Hindu Undivided Family	2,59,71,616	5.43
2.	Bodies Corporate	4,50,51,048	9.42
3.	Foreign	NIL	NIL
	Total shareholding of Promoter and Promoter Group (A)	7,10,22,664	14.85
(B)	Public Shareholding		
1.	Institutions	NIL	NIL
2.	Non-Institutions		
	Bodies Corporate	32,42,36,759	67.78
3.	Individuals		
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,05,68,604	4.30
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,96,18,454	12.46
4.	Any Others (Specify)		
	Non Resident Indians	2,80,670	0.06
	Hindu Undivided Family	26,39,620	0.55
	Clearing Members	10,229	0.00
	Total Public shareholding (B)	40,73,54,336	85.15
	Total (A)+(B)	47,83,77,000	100.00

Distribution of Shareholding – As on 31.03.2013

Shareholding of nominal value of Rs.	No. of share holders	% to total Number	Total shares	Amt in Re. 1/	% to total
Upto 500	1875	30.16	5,71,921	5,71,921	0.12
From 501 upto 1000	1464	23.55	14,13,957	14,13,957	0.30
From 1001 upto 2000	886	14.25	16,05,386	16,05,386	0.34
From 2001 upto 3000	391	6.29	10,69,844	10,69,844	0.22
From 3001 upto 4000	137	2.20	5,06,690	5,06,690	0.11
From 4001 upto 5000	444	7.14	21,92,285	21,92,285	0.46
From 5001 upto 10000	478	7.69	39,66,281	39,66,281	0.83
From 10001 & above	541	8.70	46,70,50,636	46,70,50,636	97.63
Total	6216	100	47,83,77,000	47,83,77,000	100.00

12. MEANS OF COMMUNICATION

The quarterly/ half-yearly/ annual financial results are published in Financial Express (English Daily) and Jansatta (Hindi Daily, Business Standard (English & Hindi Daily). The financial results and the official news releases are also placed on the Company's website www.interworld.co.in.

The Company has an exclusive email id- info@interworld.co.in dedicated for prompt redressal of shareholders' queries, grievances etc.

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

13. ADDRESS FOR CORRESPONDENCE**Registered office**

701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi 110001

Corporate office

110, Linkway Estate, New Link Road, Malad (W), Mumbai-400 064

On Behalf of the Board of Directors

Place : New Delhi
Date :02.09.2013

Sd/-
Man Mohan Gupta
Chairman & Managing Director

AUDITOR'S CERTIFICATE PURSUANT TO COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
INTERWORLD DIGITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by INTERWORLD DIGITAL LIMITED for the period ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

**For M/s. RMA & Associates
Chartered Accountants
Sd/-
Pankaj Chander
Partner
Membership No. 89065**

**Place: New Delhi
Dated: 30.05.2013**

CERTIFICATE PURSUANT TO CLAUSE 49V OF THE LISTING AGREEMENT

CONFIRMATION OF COMPLIANCE OF CODE OF CONDUCT AND ETHICS

To,

The Members of
Interworld Digital Limited

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations/declarations received, all the Directors and senior management personnel of the company have complied with the Code of Conduct and ethics framed by the company during the year 2012-13.

**For Interworld Digital Limited
Sd/-
Man Mohan Gupta
Chairman & Mg. Director**

**Place: New Delhi
Dated: 30.05.2013**



RMA & Associates (ISO 9001:2000 Firm)
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

**The Members,
INTERWORLD DIGITAL LIMITED
New Delhi.**

Report on the Financial Statements

We have audited the accompanying financial statements of **INTERWORLD DIGITAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") Issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s. RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N
Sd/-
Pankaj Chander
Partner
M. No. 89065

Place: New Delhi
Dated : 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT **INTERWORLD DIGITAL LIMITED**

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified at reasonable intervals by the management and no material discrepancy was noticed on such verification.
- (c) The company has not disposed off a substantial part of its fixed assets during the year.
- (ii) (a) The company is not dealing in any physical goods, therefore there is no inventory. However, the company has inventory of bulk-SMS.
- (b) As already stated, since the company is not dealing in any physical goods, there is no question of procedure of physical verification of inventory.
- (c) As already mentioned, the company is not dealing in any physical goods and therefore there is no question of proper records of inventory.
- (iii) (a) 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 Act.
- (b) 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.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.

- (b) In our opinion, transactions if any made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Act.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) According to the information and explanation given to us, no undisputed dues in respect of provident fund , employees state insurance , income tax, wealth tax, service tax, sales tax, custom duty, excise duty , cess and other statutory dues were outstanding at the yearend for a period of more than six months from the date they become payable except as service tax of Rs. 44,75,799/-.
- (x) The company does not have any accumulated losses at the end of the financial year covered by our audit and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues of the loan taken from bank. The company has neither taken any loan from a financial institution nor issued any debentures.
- (xii) The company has not granted any loan or advance against the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the company has not obtained any term loans.
- (xvii) According to the information and explanations given to us, we report that no short term funds have been used for long term investment.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The company has not issued debentures during the period covered by our audit.
- (xx) The company has not raised money by way of public issues during the period covered by our audit.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For M/s. RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N**

**Sd/-
Pankaj Chander
Partner
M. No. 89065**

**Place: New Delhi
Dated: 30th May, 2013**

INTERWORLD DIGITAL LIMITED

701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI-110001

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amounts in Rs)

I. EQUITY AND LIABILITIES	Notes	As At March 31,2013	As At March 31,2012
(1) Shareholder's Funds			
(a) Share Capital	1	47,83,77,000	7,83,77,000
(b) Reserves and Surplus	2	78,09,63,820	15,67,34,173
(c) Money received against share warrants		-	51,06,13,842
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	2,76,81,603	2,52,05,342
(b) Deferred Tax Liabilities (Net)		1,34,43,829	1,24,43,688
(4) Current Liabilities			
(a) Trade Payables		1,56,99,575	67,28,455
(b) Other Current Liabilities	4	2,25,14,339	1,29,28,950
(c) Short-Term Provisions	5	12,31,128	7,47,034
Total		133,99,11,294	80,37,78,484
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	6		
(i) Tangible Assets		1,86,15,587	1,13,41,542
(ii) Intangible Assets		4,99,51,963	4,82,16,823
(iii) Capital work-in-progress		109,19,13,103	64,23,14,646
(b) Other non-current assets	7	35,00,000	35,00,000
(2) Current Assets			
(b) Inventories		40,26,387	40,26,387
(c) Trade receivables	8	12,70,09,123	7,79,10,618
(d) Cash and cash equivalents	9	25,45,593	12,23,342
(e) Short-term loans and advances	10	4,09,35,972	1,30,05,028
(f) Other current assets	11	14,13,566	22,40,098
Total		133,99,11,294	80,37,78,484

Accompanying notes forming part of the financial statement 1 to 34

Auditor's Report

As per our separate report of even date attached

For RMA & Associates
Chartered Accountants
Firm Reg. No. 000978N

For and on behalf of the Board of Directors

Sd/-
(Pankaj Chander)
Partner
M.No. 89065

Sd/-
(Man Mohan Gupta)
M. Director

Sd/-
(Peeyush Kumar Aggarwal)
Director

Sd/-
(Heena Jain)
Company Secretary

Place: New Delhi
Date: 30th May, 2013

INTERWORLD DIGITAL LIMITED

701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI-110001

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

(Amounts in Rs)

	Notes	As At March 31,2013	As At March 31,2012
INCOME :			
Revenue from operations	12	15,97,39,012	11,52,14,124
Other Income	13	15,46,825	17,39,257
Total		16,12,85,837	11,69,53,381
EXPENSES :			
Purchase of Stock-in-Trade & Service	14	12,89,56,850	9,72,72,005
Changes in inventories of Finished Goods,WIP & Stock	15	-	(4026387)
Employee Benefit Expenses	16	67,08,557	53,73,077
Financial Costs	17	6,50,948	3,72,656
Depreciation and Amortization Expense	18	1,19,10,865	1,01,99,953
Other Administrative Expenses	19	65,97,701	38,41,667
Total		15,48,24,921	11,30,32,971
Profit before exceptional & extraordinary items & tax		64,60,916	39,20,410
Exceptional Items		-	-
Profit before extraordinary items and tax		64,60,916	39,20,410
Extraordinary Items		-	-
Profit before tax		64,60,916	39,20,410
Tax Eexpense:			
(1) Provision for Current Tax		12,31,128	7,47,034
(2) Deferred tax provision		10,00,141	13,49,619
Profit(Loss) from the perid from continuing operations		42,29,647	18,23,757
Tax expense of discontinued operations		-	-
Profit/(Loss) for the period		42,29,647	18,23,757
Earning per equity share:			
(1) Basic		0.01	0.02
(2) Diluted		0.01	0.01

Accompanying notes forming part of the financial statement 1 to 34

Auditor's Report
As per our separate report of even date attached**For RMA & Associates**
Chartered Accountants
Firm Reg. No. 000978N**For and on behalf of the Board of Directors**Sd/-
(Pankaj Chander)
Partner
M.No. 89065Sd/-
(Man Mohan Gupta)
M. DirectorSd/-
(Peeyush Kumar Aggarwal)
DirectorSd/-
(Heena Jain)
Company SecretaryPlace: New Delhi
Date: 30th May, 2013

INTERWORLD DIGITAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Amounts in Rs.)

Particulars	As At March 31,2013	As At March 31,2012
A. Cash Flow From Operating Activities:		
Net Profit before tax and extraordinary items	6,460,916	3,920,410
Adjustments for:		
Interest income	-	-
Depreciation	11,084,333	9,373,421
Interest & Finance Charges	-	-
Preliminary & Share Issue expenses written off	826,532	826,532
Operating cash flow before changes in working capital	18,371,781	14,120,363
Cash Flow in Working Capital Activities:		
(Increase)/Decrease in Sundry Debtors	(49,098,505)	10,893,061
(Increase)/Decrease in Inventories	-	(4,026,387)
(Increase)/Decrease in Loans & Advances	(27,930,944)	(3,415,667)
Increase/(Decrease) in Current Liabilities	19,040,603	(6,063,747)
Cash provided by / (used in) operating activities	(39,617,065)	11,507,623
Less: Income Tax Paid	1,231,128	747,034
Net cash from operating activities	(40,848,193)	10,760,589
B. Cash Flow From Investing Activities:		
Sale/(Purchase) of fixed assets	(20,093,519)	(15,159,031)
(Increase)/Decrease in Capital work in progress	(449,598,457)	(222,075,000)
(Increase)/Decrease in investments	-	-
Interest received	-	-
Net cash outflow in investing activities	(469,691,976)	(237,234,031)
C. Cash Flow From Financing Activities:		
Increase in capital	(110,613,842)	216,888,614
Proceeds from Long Term Borrowings	-	-
Increase in Share Premium	620,000,000	12,010,386
Interest and Finance Charges	-	-
Repayment of Long Term Borrowings	2,476,261	(1,707,945)
Miscellaneous Expenditure	-	-
Net cash inflow from financing activities	511,862,419	227,191,055
Net increase / (decrease) in cash and cash equivalents during the year [(A) + (B) + (C)]	1,322,250	717,613
Cash and Cash Equivalents:		
Cash and Cash Equivalent as at 01.04.2012	1,223,342	505,728
Cash and Cash Equivalent as at 31.03.2013	2,545,593	1,223,342

Note:

- Comparative figures have been regrouped wherever necessary.
- The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006
- These earmarked account balance with banks can be utilised only for the specific identified purposes.

For RMA & Associates
Chartered Accountants
Firm Reg. No. 000978N

For and on behalf of the Board of Directors

Sd/-
(Pankaj Chander)
Partner
M.No. 89065

Sd/-
(Man Mohan Gupta)
M. Director

Sd/-
(Peeyush Kumar Aggarwal)
Director

Sd/-
(Heena Jain)
Company Secretary

Place: New Delhi
Date: 30th May, 2013

INTERWORLD DIGITAL LIMITED

Notes on forming part of Financial Statements as at 31.03.2013

(Amounts in Rs)

Note No.	Particulars	As At March 31,2013	As At March 31,2012
1	Share Capital		
	Authorized Share Capital : 70,00,00,000 (70,00,00,000) Equity Shares of Re. 1/- each	70,00,00,000	70,00,00,000
	Issued , Subscribed and paid up shares capital 4 7,83,77,000 (7,83,77,000) Equity Shares of Re. 1/- each fully paid up	47,83,77,000	7,83,77,000
	Total	47,83,77,000	7,83,77,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As At March 31,2013	As At March 31,2012
At the beginning of the period	7,83,77,000	7,38,00,000
Issued during the period	40,00,00,000	45,77,000
At the end of the period	47,83,77,000	7,83,77,000

1. The Company has only one class of Equity shares having a par value of Re. 1/- each per share. Each holder of equity share is entitled to one vote per share.
2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company.
3. In terms of resolutions passed under section 81(1A) of the Companies Act, 1956, the Board allotted 40,00,00,000 equity shares of Re. 1/- each fully paid up to Promoters & Non Promoters Category on conversion of convertible warrants.

Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholders	As At March 31,2013	As At March 31,2012
M M Commodities Private Limited	3,71,26,600(7.76%)	1,14,26,600(14.58%)
Peeyush Kumar Aggarwal	2,50,00,000(5.23%)	-

Note No.	Particulars	As At March 31,2013	As At March 31,2012
2	Reserves & Surplus		
	Security Premium Reserve :		
	Opening Balance :	11,88,64,820	11,58,44,000
	Add : additions During the year	62,00,00,000	30,20,820
	Closing Balance	73,88,64,820	11,88,64,820
	Surplus During the year		
	Shares Forfeiture Account	90,77,066	87,500
	Add : Additions During the year	-	89,89,566
		90,77,066	90,77,066
	Balance as per last financial statements	2,87,92,287	2,69,68,530
	Profit (-Loss) after tax for the year	42,29,647	18,23,757
	Closing Balance	3,30,21,934	2,87,92,287
	Total	78,09,63,820	15,67,34,173

Note No.	Particulars	As At March 31.2013	As At March 31.2012
3	Long Term Borrowings		
	Secured		
	HDFC Bank Ltd. (Hypothycation of Vehicle)	23,45,941	31,07,342
	Kotak Mahindra Prime Limited (Hypothycation of Vehicle)	45,75,662	-
	Unsecured		
	Loans from related parties (corporates)	7,60,000	20,98,000
	Loans from others	2,00,00,000	2,00,00,000
	Total	2,76,81,603	2,52,05,342
Note No.	Particulars	As At March 31.2013	As At March 31.2012
4	Other Current Liabilities		
	Security (Theatre & Video)	51,94,755	62,19,755
	Expenses Payable	34,58,458	35,42,471
	Others Liabilities	1,20,57,296	25,18,744
	Other Advance	13,353	13,353
	Advance from Customers	17,90,477	6,34,627
	Total	2,25,14,339	1,29,28,950
Note No.	Particulars	As At March 31.2013	As At March 31.2012
5	Short-Term Provision		
	Provision for taxation (A.Y. 2012-13)	-	7,47,034
	Provision for taxation (A.Y. 2013-14)	12,31,128	-
	Total	12,31,128	7,47,034

(Statement Showing Depreciation Forming Part of Financial Statement As On 31.03.2013 as per Companies Act, 1956)

**Note No. 6
FIXED ASSETS**

S. No.	Description	Rate	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
			As on 1.4.2012	Addition during the year	Sales/adjust during the year	Total as on 31.03.2013	Up to 31.03.2012	For the year	Adjustment during the year	Up to 31.03.2013	As on 31.03.2013	As on 31.03.2012
A. Tangible												
1	Building	-	30,00,000	-	-	30,00,000	-	-	-	-	30,00,000	30,00,000
2	Computers	60.00%	2,36,32,271	2,05,215	-	2,38,37,486	2,36,14,216	39,491	-	2,36,53,707	1,83,779	18,055
3	Furniture & Fixture	6.33%	7,94,868	-	-	7,94,868	2,90,136	50,315	-	3,40,451	4,54,417	5,04,732
4	Office Equipment	4.75%	6,05,368	46,490	-	6,51,858	2,29,311	30,568	-	2,59,879	3,91,979	3,76,057
5	UPS	4.75%	10,97,296	14,37,725	-	25,34,931	1,70,983	61,260	-	2,32,243	23,22,688	9,26,224
6	Vehicles	9.50%	64,18,447	59,08,987	-	1,23,27,434	19,56,274	8,94,274	-	28,50,548	94,76,886	44,62,173
7	Machinery and Plant	7.07%	25,55,671	9,62,622	-	35,18,293	5,01,370	2,31,985	-	7,32,455	27,85,838	20,54,301
	Sub-Total (A)		3,81,03,831	85,81,039	-	4,66,84,870	2,67,62,290	13,06,993	-	2,80,69,283	1,86,15,587	1,13,41,542
B. Intangible												
1	Softwares	10.00%	9,11,33,653	1,15,12,480	-	10,26,46,133	4,30,36,830	97,47,340	-	5,27,84,170	4,98,61,963	4,80,96,823
2	Copy Right	10.00%	3,00,000	-	-	3,00,000	1,80,000	30,000	-	2,10,000	90,000	1,20,000
	Sub-Total (B)		9,14,33,653	1,15,12,480	-	10,29,46,133	4,32,16,830	97,77,340	-	5,29,94,170	4,99,51,963	4,82,16,823
	TOTAL (A+B)		12,95,37,484	2,00,93,519	-	14,96,31,003	6,99,79,120	1,10,84,333	-	8,10,63,453	6,85,67,550	5,95,58,365
	Capital Work in Progress (including Advances on Capital Account)		7,94,26,790	-	1,15,12,480	6,79,14,310	-	-	-	-	6,79,14,310	7,94,26,790
	Development Exp.		3,74,056	-	-	3,74,056	-	-	-	-	3,74,056	3,74,056
	Computer Systems, Hardware and Networking (IT Park - Advances)		56,25,13,800	46,11,10,937	-	102,36,24,737	-	-	-	-	1,02,36,24,737	56,25,13,800
	Sub-Total (C)		64,23,14,646	46,11,10,937	1,15,12,480	109,19,13,103	-	-	-	-	1,09,19,13,103	64,23,14,646
	GRAND TOTAL(A+B+C)		77,18,52,130	48,12,04,456	1,15,12,480	124,15,44,106	6,99,79,120	1,10,84,333	-	8,10,63,453	1,16,04,80,653	70,18,73,011
	Previous Year		53,46,18,099	25,11,09,031	1,38,75,000	77,18,52,130	6,06,05,698	93,73,421	-	6,99,79,119	70,18,73,011	

Note No.	Particulars	As At March 31.2013	As At March 31.2012
7	Other non-current assets		
	Security Deposit	35,00,000	35,00,000
	Total	35,00,000	35,00,000
Note No.	Particulars	As At March 31.2013	As At March 31.2012
8	Trade receivables		
	(Unsecured, Considered Good)		
	Outstanding for more than six months	4,15,80,378	2,19,55,849
	Others	8,54,28,745	5,59,54,769
	Total	12,70,09,123	7,79,10,618
Note No.	Particulars	As At March 31.2013	As At March 31.2012
9	Cash & Cash Equivalent		
	Cash on Hand	12,23,653	11,60,699
	Balance with Banks	13,21,940	62,643
	Total	25,45,593	12,23,342
Note No.	Particulars	As At March 31.2013	As At March 31.2012
10	Short-term loans and advances		
	(unsecured, considered good)		
	(Advance recoverable in cash or in kind or for value to be received)	3,48,03,192	96,23,817
	TDS/ Advance Tax/ Self Assessment tax	43,85,081	30,45,053
	Prepaid Expenses	87,555	90,532
	Advance to suppliers	24,601	7,924
	Income Tax Refund	-	2,37,702
	VAT Receivable	16,35,543	-
	Total	4,09,35,972	1,30,05,028
Note No.	Particulars	As At March 31.2013	As At March 31.2012
11	Other current assets		
	Miscellaneous Expenditure to the extent not written off	22,40,098	30,66,630
	Opening Balance	-	-
	Add: Addition during the year	22,40,098	30,66,630
	Less: Written off during the year	8,26,532	8,26,532
	Total	14,13,566	22,40,098
Note No.	Particulars	As At March 31.2013	As At March 31.2012
12	Revenue from operations		
	Sales & Services Charges	15,97,39,012	11,52,14,124
	Total	15,97,39,012	11,52,14,124
Note No.	Particulars	As At March 31.2013	As At March 31.2012
13	Other Income		
	Interest on Loans	14,15,000	15,02,465
	Miscellaneous Income	1,31,825	2,36,792
	Total	15,46,825	17,39,257
Note No.	Particulars	As At March 31.2013	As At March 31.2012
14	Purchase of Stock-in-Trade		
	Purchases & Services	12,89,56,850	9,72,72,005
	Total	12,89,56,850	9,72,72,005

Note No.	Particulars	As At March 31.2013	As At March 31.2012
15	Changes in inventories		
	Opening Stock	40,26,387	-
	Closing Stock	40,26,387	40,26,387
	Total	-	40,26,387
Note No.	Particulars	As At March 31.2013	As At March 31.2012
16	Employee Benefit Expenses		
	Salaries and other allowances	35,97,395	37,35,258
	Director's Remuneration	30,00,000	15,20,000
	Staff Welfare Expenses	1,11,162	1,17,819
	Total	67,08,557	53,73,077
Note No.	Particulars	As At March 31.2013	As At March 31.2012
17	Financial Cost		
	Bank Charges & Commission	28,061	14,246
	Interest	6,22,887	3,58,410
	Total	6,50,948	3,72,656
Note No.	Particulars	As At March 31.2013	As At March 31.2012
18	Depreciation and Amortization Expense		
	Depreciation	1,10,84,333	93,73,421
	Share Issue Expenses written off	8,26,532	8,26,532
	Total	1,19,10,865	1,01,99,953
Note No.	Particulars	As At March 31.2013	As At March 31.2012
19	Other Administrative Expenses		
	Advertisement Expenses	32,17,141	3,95,876
	AGM / EGM Expenses	75,450	71,550
	Auditors' Remuneration	56,180	56,180
	Business Promotion Expenses	1,47,900	19,779
	Conveyance Expenses	1,15,985	1,80,192
	Fees & Subscription	1,81,761	2,88,713
	Insurance Expenses	1,34,972	54,225
	Internet & Communication Expenses	1,92,785	11,573
	Legal & Professional Charges	1,28,713	1,59,158
	Miscellaneous Expenses	1,49,718	1,47,632
	Office Expenses	1,21,891	2,80,102
	Office Rent	24,500	1,32,000
	Postage & Courier Expenses	1,98,364	1,65,429
	Printing & Stationery	1,10,334	58,078
	Rebate and Discount	-	1,02,833
	Repairs & Maintenance Expenses	1,89,496	2,01,297
	Telephone Expenses	4,15,633	4,51,239
	Travelling Expenses	8,07,182	8,61,919
	Vehicle Running & Maintenance Expenses	2,03,500	1,37,250
	Water & Electricity Expenses	1,26,196	66,642
	Total	65,97,701	38,41,667

For RMA & Associates
Chartered Accountants
Firm Reg. No. 000978N

Sd/-
(Pankaj Chander)
Partner
M.No. 89065

Sd/-
(Man Mohan Gupta)
M. Director

For and on behalf of the Board of Directors

Sd/-
(Peeyush Kumar Aggarwal)
Director

Sd/-
(Heena Jain)
Company Secretary

Place: New Delhi
Date: 30th May, 2013

INTERWORLD DIGITAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

20. SIGNIFICANT ACCOUNTING POLICIES

(I) CORPORATE INFORMATION

INTERWORLD DIGITAL LIMITED is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The company is engaged in IT enabled services, Digital Cinema etc.

(II) BASIS OF PREPARATION

- The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP).
- The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- The company follows the Mercantile System of Accounting recognizing Income and Expenditure on accrual basis.
- The directors have certified that there are no outstanding expenses not provided for and nor there are income which have fallen due but not accounted for. The accounts are prepared on historical cost basis and as a going concern.
- The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(III) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

From the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(IV) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(V) FIXED ASSETS

Fixed Assets are stated at cost. Depreciation of fixed assets is calculated at the rates prescribed under Schedule XIV to the Companies Act, 1956.

(VI) DEPRECIATION

Tangible Assets: Depreciation on tangible fixed assets is provided on straight-line method at the rate prescribed in Schedule XIV of the Companies Act, 1956, except on Computers for which depreciation has been charged @ 60% on written down value method which is higher than the rate specified in Schedule XIV.

(VII) INTANGIBLE ASSETS

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprises and the cost of the asset can be measured reliably. Internally generated intangible asset arising from development activity are recognized only on demonstration of its technical feasibility, the intention and ability of the company to complete, use or sell it. The intangible assets are recorded at cost and are carried at cost less accumulated depreciation.

(VIII) INVESTMENT

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(IX) INVENTORIES

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Work in progress and finished goods are valued at lower of cost and net realizable value.

(X) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(XI) INCOME TAX

- a. Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

(XII) IMPAIRMENT OF ASSETS

All assets other than inventories, investments and deferred tax assets are reviewed for impairment at each balance sheet date, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying values exceed their recoverable amount are written down to the recoverable amount.

- **Miscellaneous Expenditure**

Preliminary expenses & Public issue expenses are written off over a period of ten years.

- **Contingent Liabilities**

Contingent liabilities are not provided for, and if any, are disclosed separately by way of notes.

21. Balance of Sundry Debtors, Sundry Creditors and Loans & Advances as shown in the accounts are subject to confirmation and reconciliation. However, in the opinion of the Board of Directors, the current assets, loans & advances are fully realizable at the values stated, if realizable in the ordinary course of business. The provisions for depreciation and all other known liabilities are adequate in the opinion of the Board.

22. Deferred Tax Assets & Deferred Tax Liabilities:

Amount in Rs.

Particulars	Deferred Tax Liability as at 01.04.2012	Current Year Charge	Deferred Tax Liability as at 31.03.2013
On account of difference Between W.D.V as on 31.03.2013 As per Income tax & Companies Act	1,24,43,688	10,00,141	1,34,43,829
Total	1,24,43,688	10,00,141	1,34,43,829

In accordance with AS 22 issued by ICAI, the company has provided for deferred tax during the year.

23. No provision for the payment of gratuity has been made as none of the employees has put the qualifying period of service for entitlement of gratuity.

24. Preferential Allotment

During 2012-13, the Company has allotted 40,00,00,000 equity shares pursuant to conversion of equal number of convertible warrants issued at a premium of Rs. 1.55 per equity share (Face Value).

25. Allocation of Development expenses is pending to fixed assets.

26. Contingent Liabilities not provided for Bank Guarantees outstanding Rs. NIL (Rs. Nil).

27. Adoption of Accounting Standard 28 on impairment of assets does not have any impact either on the profit for the year or on the net assets of the company as at the year end.

28. Auditors' Remuneration:

	2012-13 (Rs.)	2011-12 (Rs.)
Statutory Audit fee	35,000	35,000
Tax Audit fee	15,000	15,000
Others	6,180	6,180
	56,180	56,180

29. Directors' Remuneration Rs.30,00,000/- (Previous Year Rs. 15,20,000/-).

30. Segment Reporting: The company has only one reportable segment.

31. Related Party Disclosures:

A. List of related parties with whom the company has transacted:

i. Key Managerial Personnel

Mr. Man Mohan Gupta
Mr. Peeyush Kumar Aggarwal
Mr. S. N. Sharma
Mr. Sanjay Gupta

	2012-13 (Rs.)	2011-12 (Rs.)
--	------------------	------------------

ii. Related Party Transactions:

Mr. Man Mohan Gupta	Remuneration	30,00,000	15,20,000
Mr. Man Mohan Gupta	Rent paid	---	1,32,000

B. Outstanding Balances with related parties

	NIL	NIL
--	-----	-----

32. Previous year figures have been regrouped / rearranged / reconsidered, wherever considered necessary.

33.

Earning per share (EPS): (As per A.S. -20)		F.Y.- 2012-13	F.Y.- 2011-12
(a)	No of Equity Shares outstanding at the beginning of year	7,83,77,000	7,38,00,000
(b)	Allotment of 40,00,00,000 Equity Shares on 08/05/2012		
(c)	Weighted average no. of equity shares Outstanding during the year (Face value: Re. 1/ - per share)	43,78,29,055	7,83,39,381
(d)	Net Profit after tax (Rs.)	42,29,647	18,23,757
	Basic Earnings Per Share	0.01	0.02
	Diluted Earnings per share (Rs.)	0.01	0.01

34. As per information available with the company, there are no outstanding dues to Small Scale Ancillary Industrial Undertakings as at 31.03.2013.

For RMA & Associates
Chartered Accountants
Firm Reg. No. 000978N

For and on behalf of the Board of Directors

Sd/-
(Pankaj Chander)
Partner
M.No. 89065

Sd/-
(Man Mohan Gupta)
M. Director

Sd/-
(Peeyush Kumar Aggarwal)
Director

Sd/-
(Heena Jain)
Company Secretary

Place: New Delhi
Date: 30th May, 2013

First Day First Show

SATELLITE TO SCREEN

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2

1

3



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eBoxoffice :: NOC :: Theater Management System**

About Interworld Digital Ltd.

Interworld Incorporated in 1995, Interworld has become nationally recognized as India's first listed company (BSE Scrip Code: 532072) in the segment of Digital Cinema and successfully digitizing Cinema theaters in India since 2008. Interworld is an ISO 9001:2008 company. Our authorized capital is Rs. 700 million with subscribed capital of Rs. 478 million with net worth of approx. Rs. 100 Crore. The equity is Re. 1 paid up. The long term vision of the company is to remain India's most premium and most preferred Digital Entertainment, media and communication Company. To achieve this vision, we continue to provide the highest digital cinema standards. We further look forward to bringing allied retail entertainment, media and communication concepts to India to complement and complete the digital experience for our patrons and followers. Interworld is the first company in India to talk about distribution of movies to theatre via satellite and to announce pay-as-you-go model to benefit the Film Industry. The Company invested more than three years in developing Digital Cinema system, architecture of equipment, finalization and tie-up with OEM manufacturing of Digital Projectors and other equipments.

INTERWORLD DIGITAL LIMITED

Regd. Office: 701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI 110001

ATTENDENCE SLIP 18TH ANNUAL GENERAL MEETING

To be handed over at the entrance of the meeting venue.

Name of the attending member (In block letters)

Mr./Mrs./Miss _____ Name of the proxy (in block letters to be filled in by Proxy attending instead of the member) _____

No. of shares held: _____ Ledger Folio No. _____

DP Id No.* _____ Client Id.* _____

I hereby record my presence at the **EIGHTEENTH ANNUAL GENERAL MEETING** on Monday, the 30th Day of September, 2013, at **701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI 110001** at **9:30 A.M.**

Member's Signature

Proxy's Signature

Note: 1. Shareholders / proxies are requested to bring the attendance slip with them.

2. Additional/Duplicates attendance slips will not be issued the meeting hall.

*Applicable for investors holding share in electronics form.

----- Tear Here -----

INTERWORLD DIGITAL LIMITED

Regd. Office: 701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI 110001

PROXY FORM

I/we _____ of _____ being a member/Members of

INTERWORLD DIGITAL LIMITED hereby Appoint _____ of _____ as my / our proxy to attend and vote for me /us on my / our behalf at the **EIGHTEENTH ANNUAL GENERAL MEETING** on Monday, the 30th Day of September, 2013, at **701, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI 110001** and at any adjournment thereof.

No. of Shares held: _____ Ledger Folio No.: _____

DP. Id No.* _____

Client Id.* _____

Signature: _____

Date : _____

Affix
Re. 1
Revenue
Stamp

Note: The Proxy, to be effective, should be deposited at the Company's Registered office not later than 48 Hours before the commencement of aforesaid meeting. Proxy need not be a member of the Company.

* Applicable for investors holding shares in electronic form.

TICKET


InterWorld

If undelivered, please return to:
Interworld Digital Ltd.


Registered Office:
701, Arunachal Building,
Barakhamba Road, New Delhi - 110 001
Telephone : +91 .11. 43571045
E.mail : info@interworld.co.in
www.interworld.co.in



**WHERE
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ENTERTAINMENT**

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Interworld Digital Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"> CEO/Managing Director 	<p><i>For Interworld Digital Ltd.</i></p> <p><i>Man Mohan</i></p> <p>Mg. Director</p> <p>(Mr. Man Mohan Gupta)</p>
	<ul style="list-style-type: none"> CFO Auditor of the Company 	<p>For M/s. RMA & Associates Chartered Accountants Firm Regn. No. 00095861</p> <p></p> <p>(Ajay Kumar Ojha) Partner M.No. 522642</p>
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p><i>Shiv Nandan Sharma</i></p> <p>(Mr. Shiv Nandan Sharma)</p>

Date : 30th May, 2013
 Place: New Delhi