

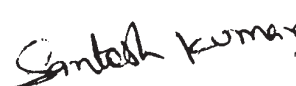
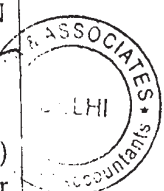



**FORM A**

**Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges**

1.	Name of the Company	<b>M/s. Interworld Digital Limited</b>
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"> <li>Managing Director</li> </ul>	  (Mr. Man Mohan Gupta)
	<ul style="list-style-type: none"> <li>CFO</li> <li>Auditor of the Company</li> </ul>	For M/s. RMA & Associates Chartered Accountants Firm Regn. No. 000978N   (Santosh Kumar) Partner M.No. 533944 
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	 (Mr. Ajay Sharma)

**Date : 30<sup>th</sup> May, 2015**

**Place: New Delhi**

Redefining

NexGen >>>



Entertainment  
eCommerce



# Interworld Digital Ltd.

Digital Cinema - Mobile Communication - New Media - eCommerce



Annual Report 2014 -2015

Passion - Commitment - Integrity - Innovation - Service

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## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

**Mr. Man Mohan Gupta**

Managing Director  
(DIN 00161861)

**Mr. Ajay Sharma**

Independent Director  
(DIN 03344008)

**Mr. Soban Singh Aswal**

(Additional Director  
Appointed as Independent Director)  
(DIN 00349919)

### **COMPLIANCE OFFICER**

Mr. Man Mohan Gupta

### **COMPANY SECRETARY**

Mr. Narender Kumar Baid

### **AUDITORS**

M/s . RMA & Associates, Chartered Accountants  
(Firm Registration No. 000978N)

### **BANKERS**

Vijaya Bank  
Bank of India

### **REGISTERED OFFICE**

701, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi-110 001  
Tel. No. 011-43574044-45 Fax : 011-43571047  
Website : [www.interworld.co.in](http://www.interworld.co.in) Email : [info@interworld.co.in](mailto:info@interworld.co.in)

### **CORPORATE OFFICE**

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

### **CIN NO. OF THE COMPANY**

L72900DL1995PLC067808

### **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

Dear Shareholders,

This year has been a year of digital media, continued its rapid penetration with stupendous 44.5 % growth in digital advertising. The revenues from cinema advertising are growing at a steady pace in India and are estimated to have reached Rs. 4.9 billion and expected to reach to Rs. 13.82 billion by the end of 2019 as per KPMG report. In Cinema advertising has sparked considerable excitement among advertisers because on screen advertising can guarantee undivided attention of captive audience while off screen promotions allow brands to leverage walls, seats, doors, lobby floor, corridors, ticketing counters, security check points, food and beverages counters, lifts, kiosks, product displays, staircase, washrooms, ticket jackets, interactive entertainment zones, poster box and many other ways but within theater premises.

Digital Cinema, with its numbers of benefits like simultaneous screening in hundreds of theatres without physical prints, allows delivery of geo targeted ads, provides transparent electronic logs and minimal impact of re-run on quality of ads has established our digital cinema as a credible source of advertising and intrinsic part of many campaigns.

Now our company is only focusing on cinema advertising and trying to increase the number of theatres in its network.

eCommerce : Though e-commerce in India is still in it's infancy but it is growing at a frantic pace and has started to make some impact in metros. At \$6 billion, we are still minnows in global e-commerce markets where USA (\$250 billion) and China(\$70 billion) are at their prime. Even in \$600 billion Indian retail industry, e-commerce contributes mere 1% which is miniscule compared to the some of the European markets boasting of as high as 20%. However, the silver lining is we are growing at a rate of 35-40% CAGR and slated to touch around \$60 billion by 2020.

We, are working on the ecommerce project on a very large scale in your company. We are planning to buy out some companies as our expansion plan for faster growth.

In Digital Cinema, the hardware cost is increasing too much and in consideration of the same, we have decided to focus on cinema advertising and not to invest in hardware.

We, also understand the value of mobile Vas and new media. We are billion people country with a mobile penetration of almost 80% and now 40% of them are on smartphones which means a sizeable population is internet ready. We are very much focused on these businesses.

We have made a strategy to be market leaders in our businesses and for the same we have decided to broaden our Board and team size. We like to seek the approval of our members to raise funds and deploy the same in the projects. We also like to seek the approval to establish subsidiaries one for each business.

We would like to thank all those who have supported us time to time in every respect so that we completed this financial year profitably even very marginally. We would like to thank once again to all our stakeholders for their continued support and belief in Interworld and our ability to capitalise on future opportunities to maintain our leadership in the rapidly growing market. We will continue to grow with a multi-pronged approach, while creating value for all stakeholders.

Warm regards,

Sd/-  
**Man Mohan Gupta**  
(Chairman & Managing Director)

## Notice

**NOTICE IS HEREBY GIVEN THAT THE 20TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INTERWORLD DIGITAL LIMITED WILL BE HELD ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2015, 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 Financial Statements of the company including the Balance Sheet of the Company as at 31st March, 2015 and the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. 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 pursuant to Section 139 and other applicable provisions of Companies Act, 2013 and the Rules made thereunder, the appointment of M/s RMA & Associates, Chartered Accountants, New Delhi (Registration No. 000978N), who were appointed as Statutory Auditors of the Company at 19th Annual General Meeting held on 30th September, 2014, to hold office for a term of five years, i.e., from the conclusion of 19th Annual General Meeting until the conclusion of 24th Annual General Meeting of the Company, be and is hereby ratified and confirmed from the conclusion of 20th AGM of the Company till the conclusion of 21st AGM of the Company on such remuneration as may be agreed upon between the Board of Directors and the Statutory Auditors.”

### **SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re – enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Soban Singh Aswal (DIN 00349919), who was appointed as an Additional Director of the Company in terms of Section 161(1) of the Companies Act, 2013 with effect from 25th March, 2015 and whose terms of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting.”

**For and on behalf of the Board  
Sd/-**

**Man Mohan Gupta  
Chairman cum Managing Director**

**Place : New Delhi  
Date : 03.09.2015**

### **NOTES:**

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the meeting is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act proxy for any other person or member.

3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at this General Meeting.
4. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to keep the information ready at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive) for the purpose of the AGM.
6. Members/ Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
8. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
9. The members are requested to intimate changes, if any, in their registered address to the Registrar & Share Transfer Agents for shares held in physical form & to their respective Depository participants for shares held in electronic form.
10. All documents referred to in the accompanying Notice are opened for inspection at the Registered Office of the Company on all working days, except Sunday between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.
11. Members are requested:
  - i) To quote their folio Nos. in all correspondence.
  - ii) To note that no gifts will be distributed at the meeting.
  - iii) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc from the Company electronically.
13. In terms of Section 72 of the Companies Act, 2013, a Member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH – 13 to the Company/RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.
14. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are

requested to submit their PAN details to the company / RTA in order to comply with the SEBI guidelines.

15. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the evoting facility to the members to exercise their right to vote by electronic means. The Company has fixed 23rd September, 2015 as a cut – off date to record the entitlement of the shareholders to cast their vote electronically at the 20th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently, the same cut off date, i.e., 23rd September, 2015 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 20th AGM on 30th September, 2015.

The e-voting period will commence at 09.00 A.M. on 27th September, 2015 and will end at 05.00 P.M. on 29th September, 2015. The Company has appointed Mr. Ashish Kumar Friends (Membership No. FCS –5129 & CP No. 4056), Company Secretary in Practice to act as Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given as Annexure to the Notice.

The Company has engaged the services of Skyline Financial Services Private Limited and NSDL as the Authorised Agencies to provide e-voting facilities.

#### **VOTING THROUGH ELECTRONIC MEANS**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the AGM of the Company along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com>.

**The e-voting period commences on September 27, 2015 (09:00 A.M) and ends on September 29, 2015 (5:00 P.M.).** During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

**The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Wednesday, September 23, 2015.**

Instructions for e-Voting-

1. The Notice of the 20th Annual General Meeting (AGM) of the Company inter-alia indicating the process and manner of e-Voting is being sent to all the Members.
2. NSDL shall be sending the User ID and Password to those Members whose shareholding is in the dematerialized format and whose e-Mail addresses are registered with the Company/Depository Participants. For Members who have not registered their e-Mail address, can use the details as provided in this document.
3. Open email and open PDF file viz; "Interworld Digital e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password /PIN for e-voting. Please note that the password is an initial password.
4. Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com>
5. Click on Shareholder – Login



6. Put User ID and Password as provided in this document and click Login. If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password for the Login.
7. If you are logging in for the first time, the Password change menu will appear. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. Once the home page of e-voting opens. Click on e-voting: Active Voting Cycles.
9. Select "EVEN (Electronic Voting Event Number)" of Interworld Digital Limited.
10. Once you enter the Cast Vote page will open. Now you are ready for e-voting.
11. Cast your Vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
12. Upon confirmation, the message "Vote cast successfully" will be displayed.
13. Once you have voted on the resolution, you will not be allowed to modify your vote.
14. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc. together with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [csakf1975@gmail.com](mailto:csakf1975@gmail.com) with a copy marked to [info@interworld.co.in](mailto:info@interworld.co.in) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that login to e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through "Forget Password" option available on the site to reset the same.

**General Instructions:**

1. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Shareholders and e-voting user manual for Shareholders available to the Downloads section of <https://www.evoting.nsdl.com>
2. You can also update your mobile number and e-mail id in the profile details of the folio which may be used for sending future communication(s).
3. The e-voting period commences on Sunday, September 27, 2015 (09:00 A.M. IST) and ends on Tuesday, September 29, 2015 (05:00 P.M. IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date (record date) of Wednesday, September 23, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 23, 2015.
5. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 23, 2015 and not casting their vote electronically, may only cast their vote at the 20th Annual General Meeting.
6. Mr. Ashish Kumar Friends, Practicing Company Secretary (Membership No. FCS – 5129 & CP No. 4056) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall immediately after the conclusion voting at the AGM, first count the voting cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report

of the votes cast in favour or against, if any, and to submit the same to the Chairman of the AGM not later than three working days from the conclusion of the AGM.

8. The Results shall be declared forthwith after the submission of Consolidated Scrutinizer's Report either by Chairman of the Company or by any person authorized by him in writing and the resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions
9. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company [www.interworld.co.in](http://www.interworld.co.in) and on the website of NSDL immediately after the declaration of the results by the Chairman.

**For and on behalf of the Board**  
**Sd/-**  
**Man Mohan Gupta**  
**Chairman cum Managing Director**

**Place : New Delhi**  
**Date : 03.09.2015**

#### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

##### **Item No. 3**

The Board of Directors of the Company at its meeting held on 25/03/2015 had appointed Mr. Soban Singh Aswal as an Additional Director of the Company w.e.f. 25/03/2015 as per Section 161 of the Companies Act, 2013 and Rules made thereunder and as such he holds office upto the date of this Annual General Meeting.

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Mr. Soban Singh Aswal as an Independent Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules framed thereunder, which came into effect from 01st April, 2014, every listed public company is required to have atleast one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Board has recommended the appointment of Mr. Soban Singh Aswal as an Independent Director for a term of five years from the date of this annual general meeting.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member alongwith deposit of requisite amount proposing his candidature for the office of Director.

Mr. Soban Singh Aswal has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Soban Singh Aswal fulfils the conditions specified in the Act and the Rules framed there under for the appointment as Independent Director and he is Independent of the management. Copies of the draft letter for appointment of Mr. Soban Singh Aswal would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Soban Singh Aswal as an Independent Director is now being placed before the members for their approval.

A brief profile of Mr. Soban Singh Aswal is given below.

Mr. Soban Singh Aswal, aged about 43 years, is a Graduate. He has an extensive experience of almost 18 Years in various aspects of management, viz., the field of marketing and general administration. His

profound Knowledge and expertise is well reflected in the valuable advises he gives to the Company.

Mr. Soban Singh Aswal is a member of Audit Committee and Shareholders/Investors Grievance Committee. He is not a Director in any other public Limited Company.

Mr. Soban Singh Aswal does not hold by himself or for any other person on a beneficiary basis, any shares in the Company as per declaration given by him.

The Board considers that his continue association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Soban Singh Aswal as an Independent Director of the Company.

Except Mr. Soban Singh Aswal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No. 3. The Board of Directors recommends the resolution for approval by the members.

**For and on behalf of the Board**

**Sd/-**

**Man Mohan Gupta**

**Chairman cum Managing Director**

**Place : New Delhi**

**Date : 03.09.2015**

## Director's Report

To,

The Members,

I am privileged to present, on behalf of the Board of Directors, 20th Annual Report on the business and operations of your Company for the Financial Year ended on 31st March, 2015 together with Audited Statement of Accounts, Auditor's Report for the period ended on 31st March 2015.

### 1. 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 2014-15	Previous Year 2013-14
Income from Operations	1429.66	1682.22
Other Income	7.16	14.37
Total Income	1436.82	1696.59
Total Expenditure	1230.43	1488.67
Profit before Depreciation, Interest & Tax (PBDIT)	206.39	207.92
Interest	12.05	9.53
Depreciation	149.44	127.24
Profit before tax	44.90	71.15
Extraordinary Items	29.50	-
Provision for taxation	15.71	19.41
Deferred Tax	(11.75)	5.16
Profit after tax (PAT)	11.44	42.30
Profit brought forward from previous year	376.80	330.23
Balance carried to Balance Sheet	362.77	376.80
Paid-up equity share capital	4783.77	4783.77
Reserves & Surplus	7842.19	7856.22

### 2. 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 focused on Cinema advertising on screen & off screen plus increasing number of screens in coming future.

Your Company is planning to start eCommerce business again with new thoughts and system and the Board is much more confident that this time your Company will get larger spectrum of product and services and will establish itself in India market among top players.

During the year under review, your company's total income was 1436.82 Lacs in as compared to Rs 1696.59 Lacs in the previous financial year. The operating profit for the year ended March 31, 2015 is Rs. 15.40 Lacs as compared to Rs. 71.15 Lacs in the preceding financial year. The profit after tax in 2014-15 is Rs.11.44 Lacs and was Rs.46.58 Lacs in 2013-14.

### 3. Dividend

Keeping in view the insufficiency of profits, the Board of Directors do not recommend any dividend for the year ended March 31, 2015.

**4. Reserves**

In view of insufficiency of profits, no amount is proposed to be transferred to Reserves for the year under review.

**5. Brief description of the Company's working during the year****A. Review Of Operations**

During the year under review, total revenue of the Company was Rs. 1436.82 Lacs as against Rs. 1696.59 Lacs in the previous year. The company earned a net profit (before tax ) of Rs. 15.40 Lacs as against a net profit (before tax ) of Rs. 71.15 Lacs during the previous year. Your Directors are putting in their best efforts to improve the profitability of the Company.

**B. Future Prospects**

There is no denying the fact that e-commerce has re-entered India and is here to stay. Even the small and medium retailers of the country want to ride the wave and are ready to make a fortune out of the market place concept. It may be now that online shopping has become popular but the concept of e-Commerce was introduced long back in the 20th century.

India's eCommerce market, which was at 2.5 billion in 2009, reached \$8.5 billion in 2012 and now it is estimated to reach \$20 billion by the end of 2015. The survey also estimates that the country's eCommerce market to reach \$56 billion by 2023, driven by rising online retail.

The base of the online shopper is estimated to grow 3X by 2016 and more than 50 million buyers are expected to come from tier I and II cities.

We have made a plan to rollout our eCommerce business in a very different mode which may provide the good profits by serving a large number of ecommerce clients and vendors. We plan to invest US\$ 20 million eCommerce business..

**6. Change in the nature of business, if any**

During the year, there is no change in the nature of business activity of the company.

**7. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

During the period between the end of the financial year of the company and the date of the report, there are no material changes and commitments which affect the financial position of the company.

**8. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future**

During the year, there is no significant and material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future.

**9. Details in respect of adequacy of internal financial controls with reference to the Financial Statements**

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its asset, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosure.

**10. Details of Subsidiary/Joint Ventures/Associate Companies**

The Company has no Subsidiary. During the year, no company has become or ceased as subsidiary/ Joint-venture/Associate of the company.

**11. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement**

During the year, no consolidated financial statements have been prepared by the company as the Company has no subsidiary company.

**12. Deposits**

Your Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, during the year under review. The details relating to deposits, covered under Chapter V of the Act is as under:-

(a)	accepted during the year	Rs Nil
(b)	remained unpaid or unclaimed as at the end of the year	Rs Nil
(c)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	No
(i)	at the beginning of the year	Rs Nil
(ii)	maximum during the year	Rs Nil
(iii)	at the end of the year	Rs Nil

**13. Auditors**

In accordance with the provisions of Section 139(1) of the Companies Act, 2013, the members had at the last Annual General Meeting held on 30th September, 2014 appointed M/s. RMA & Associates, Chartered Accountants, New Delhi, the Statutory Auditors of the Company (Registration No. 000978N), for five consecutive financial years, i.e. from the conclusion of the 19th AGM till the conclusion of the 24th AGM of the shareholders of the Company. Section 139(1) further provides that the appointment of statutory auditors shall be placed before the members at every AGM for ratification.

They have confirmed that their appointment, if ratified, shall be in accordance with the provisions of Section 139(1) of the Act read with Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for their reappointment as Statutory Auditors of the Company. They have furnished a certificate of their eligibility and consent under Section 139(1) and 141 of the Companies Act, 2013 and the rules framed there under. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement.

Accordingly, a resolution seeking members' ratification for the continued appointment of M/s. RMA & Associates, Chartered Accountants, New Delhi, the Statutory Auditors of the Company is included at Item No. 2 of the Notice convening the AGM.

The Board recommends the aforesaid resolution for approval of members.

**14. Auditors' Report**

Clarification on Auditors' Observation:

The Company has increased its authorized capital from Rs. 21 Crores to Rs. 70 Crores during the F.Y. 2010-11, However, due to financial constraints and technical problems the company could not file Form 5 with ROC for increase in its authorized capital. With the advent of the Companies Act, 2013 which came into effect from 01st April, 2014, the schedule of fees applicable w.r.t. increase in Authorised Capital has been revised and increased. The Schedule of fees as per the Companies Act, 2013 has been made applicable and payable on the increased authorised share capital which the Company had increased prior to the applicability of Companies Act, 2013. However, your Company is trying its level best to arrange the funds for filing relevant Form with ROC and shall file the aforesaid Form with ROC soon.



**15. Share Capital**

A	Issue of equity shares with differential rights:	During the year, company has not issued any equity shares with differential rights.
B	Issue of sweat equity shares	During the year, company has not issue any Sweat equity shares.
C	Issue of employee stock options	During the year, company has not issued employee stock options.
D	Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees	Rs Nil
E	Bonus Shares	No bonus shares were issued during the year under review.

**16. Extract of the annual return (MGT-9)**

The extract of the annual return in Form No. MGT-9 is annexed herewith (Annexure 1).

**17. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**(A) Conservation of energy:**

Your company has undertaken various energy efficient practices which has strengthened the Company's commitment towards becoming an environment friendly organization. The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety. As far as possible, company is utilizing alternate sources of energy.

**(B) Technology absorption:**

The business of the company is not technology driven. No technology has been imported. There is nothing to be disclosed on account of technology absorption.

**(C) Foreign exchange earnings and Outgo during the year:**

	Rs
Foreign Exchange Earned in terms of actual inflows	Nil
Foreign Exchange outgo in terms of actual outflows	Nil

**18. Corporate Social Responsibility (CSR)**

In terms of section 135(1) of the Companies Act, 2013, the provisions of Corporate Social Responsibility are not applicable to the Company.

**19. DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Changes in Directors and Key Managerial Personnel****Appointment and Cessation**

During the year under review, Ms. Anita Devi was appointed as an Additional Director in the category of Non-Executive, Woman Director of the Company and Mr. Soban Singh Aswal was appointed as an Additional Director in the category of Non-Executive, Independent Director of the Company with effect from 25th March, 2015 in terms of relevant provisions of the Companies Act, 2013 to hold office till the conclusion of this Annual General Meeting.

Appropriate resolution seeking your approval for the appointment of Mr. Soban Singh Aswal as an Independent Director of the Company for five consecutive years forms part of the notice calling AGM.

Further, during the year under review, Mr. Man Mohan Gupta was duly reappointed as the Managing Director of the Company w.e.f. 02/09/2014 in the annual general meeting held on 30/09/2014 for a period of three years.

During the year under review, Mr. Narender Kumar Baid was appointed as the Company Secretary of the Company w.e.f. 20th November, 2014.

#### **Cessation**

Ms. Anita Sahu resigned from the Directorship of the Company w.e.f. 30th May, 2015 due to some personal reasons, Further, Mr. Kamal Kishore Sharma, Director of the Company resigned from the Board w.e.f. 25th March, 2015.

Ms. Heena Jain, Company Secretary of the Company has tendered her resignation w.e.f. 31st May, 2014. The Board puts its sincere appreciation towards the valuable contribution shown by them in meeting out the Statutory Compliances of the Company.

#### **B. Declaration by Independent Directors**

Your Company has received necessary declaration from each Independent Director of the Company under Section 149(6) of the Companies Act, 2013 read with Clause 49(II)(B) of Listing Agreement confirming that they met with the criteria of independence as prescribed under the aforesaid Section and Clause.

#### **C Formal Annual Evaluation**

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and Individual Directors including the Chairman of the Board.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and Non – Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

#### **20. Number of meetings of the Board of Directors :**

Eight meetings of the Board of Directors were held during the year

#### **21. Committees of the Board**

During the year under, in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board reconstituted some of its Committees. The Committees are as follows:

- \* Audit Committee
- \* Stakeholders' Relationship Committee
- \* Nomination and Remuneration Committee
- \* Risk Management Committee

Details of the said Committees alongwith their charters, compositions and meetings held during the year are provided in the Report of Corporate Governance as a part of this Annual Report.

#### **22. Board Evaluation**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board Evaluation framework. The Companies Act, 2013 provides that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The board of directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors

on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### **23. Policy On Directors' Appointment And Remuneration**

Your Company has a policy to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2015, the Board consisted of 4 members and out of them, 1 Director is an Executive Director, 2 are Independent Directors and 1 Director is a non executive Woman Director.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director, and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is attached as Annexure – 2 to the Board Report. Further the remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the Company.

### **24. Risk management policy and Internal Control**

The Company has adopted a Risk Management Policy duly approved by the Board and also has in place a mechanism to identify, access, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### **25. Whistle Blower Policy and Vigil Mechanism**

Your Company has established a "Whistle Blower Policy" and Vigil Mechanism for directors and employees to report to the appropriate authorities concerns about the unethical behavior actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the company. The same can be accessed at the website of the Company at [www.interworld.co.in](http://www.interworld.co.in).

### **26. Particulars of loans, guarantees or investments under Section 186**

During the year under review, no loans, guarantees or investments under Section 186 was given/ taken or made by your Company.

### **27. Contracts and arrangements with related parties**

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions, contracts, arrangements, including certain arm's length transactions, during the year under review. Hence, the disclosure in Form AOC 2 is not required. Details and particulars of all such transactions, are contained in the Notes to the Financial Statements.

**28. Secretarial Audit Report**

In terms of Section 204(1) of the Companies Act, 2013 and the rules made thereunder M/s A. K. Friends & Co. was appointed as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the F.Y. 2014-15. The report of the Secretarial Audit in Form No. MR -3 is annexed to and forms part of this Report as per Annexure -3.

**Explanation on Secretarial Auditors' Observation**

The Company has increased its authorized capital from Rs. 21 Crores to Rs. 70 Crores during the F.Y. 2010-11, However, due to financial constraints and technical problems the company could not file Form 5 with ROC for increase in its authorized capital. With the advent of the Companies Act, 2013 which came into effect from 01st April, 2014, the schedule of fees applicable w.r.t. increase in Authorised Capital has been revised and increased. The Schedule of fees as per the Companies Act, 2013 has been made applicable and payable on the increased authorised share capital which the Company had increased prior to the applicability of Companies Act, 2013. However, your Company is trying its level best to arrange the funds for filing relevant Form with ROC and shall file the aforesaid Form with ROC soon.

**29. Corporate Governance**

Your Company comply with the Securities and Exchange Board of India's guidelines on Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance alongwith Auditors' Certificate on the compliance is attached with the Report.

**30. Directors' Responsibility Statement**

Pursuant to the provisions contained in Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board to the best of its knowledge and belief confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards read with requirements set out under schedule III to the Act, have been followed and no material departures have been made from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating efficiently; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**31. Particulars Of Employees**

There are no employees employed throughout the financial year who were in receipt of remuneration of Rs. 60 Lacs or more or employed for part of the year who were in receipt of remuneration of Rs. 5 lacs or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014.

Disclosure u/s 197(12) and Rule 5(1) of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as Annexure – 4.

### 32. Internal Auditors & Their Report

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed M/s Sanghi & Co. as Internal Auditor for the financial year 2014-15.

#### Internal Financial Control And Their Adequacy

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its asset, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosure.

The Company has an adequate internal controls system commensurate with its size and the nature of its business. All the transactions entered into by the Company are duly authorized and recorded correctly. All operating parameters are monitored and controlled. The top management and the Audit Committee of the Board of Directors review the adequacy and effectiveness of internal control systems from time to time.

### 33. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder.

Pursuant to the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

### 34. Human Resources

Your Company treats its "human resources" as one of its most important assets. We focus on all aspects of the employee lifecycle. This provides holistic experience for the employees as well. During their tenure at the Company, employees are motivated through various skill development programs. We create effective dialogue through our communication channels to ensure effective dialogue through our communication channels to ensure that feedback reach the relevant team, including leadership.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### 35. Segment-wise performance

The Company is into single reportable segment only.

### 36. Acknowledgments

Your Directors are grateful to the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, the Stock Exchanges and other regulatory authorities for their valuable guidance and support and wish to express their sincere appreciation for their continues co-operation and assistance. We look forward for their continued support in future.

Your directors would like to express their sincere appreciation for the assistance and cooperation received from banks, customers, vendors, Government, members and employees during the year under review.

Finally, the Directors thank you for your continued trust and support.

For and on behalf of the Board  
Sd/-

Man Mohan Gupta  
Chairman cum Managing Director

Place : New Delhi  
Date : 03.09.2015

## Management Discussion & Analysis Report

### MANAGEMENT DISCUSSION AND ANALYSIS

The Indian media and entertainment (M&E) industry is full of potential and has a tremendous impact on the country's economy. As per a FICCI-KPMG report, India's M&E industry reaches 161 million TV households; 94,067 newspapers; about 2000 multiplexes; and 214 million internet users, of which 130 million access the Internet on their mobile phones.

The industry grows with each passing day and plays a significant role in creating awareness on many issues that impact the masses. India's population is over 1.2 billion. These numbers give the M&E industry in India a tremendous opportunity for growth. A few years ago, the idea of reaching and engaging the country's population seemed improbable. That scenario has completely changed today and the current industry is armed with digital technologies, modern mobile devices, penetration of broadband internet and digital cinema, and considerable backing from the Central Government.

#### Market Size

India's M&E industry registered a growth of 12 per cent in 2013 and touched Rs 91,800 crore (US\$ 15.27 billion). The industry has the potential to grow at 14.2 per cent to more than Rs 1.78 trillion (US\$ 29.61 billion) in the next four years, as per a report by FICCI-KPMG.

The television industry in India, which was estimated at Rs 41,720 crore (US\$ 6.94 billion) in 2013, is projected to increase at a compound annual growth rate (CAGR) of 16.2 per cent over 2013–18, to reach Rs 88,500 crore (US\$ 14.72 billion) by 2018.

With an estimated market size of US\$ 5 billion, India is the 14th biggest advertising market globally, as per the latest edition of the Gunn Report. Digital advertising is also expected to witness a CAGR of 27.7 per cent by 2018.

#### Investments

The foreign direct investment (FDI) inflows in information and broadcasting (I&B) sector (including print media) during April 2000 to March 2014 stood at US\$ 3,712.72 million, as per the data released by Department of Industrial Policy and Promotion (DIPP).

#### Government Initiatives

The Cabinet Committee on Economic Affairs (CCEA) has given the go-ahead for the proposal of the Ministry of I&B with regard to the 12th Five-Year Plan scheme of All India Radio (AIR) and Doordarshan 'Broadcasting Infrastructure and Network Development' at a cost of Rs 3,500 crore (US\$ 582.34 million). The two primary components of the proposal are the continuing schemes of the 11th Five-Year Plan and new schemes of the 12th Five-Year Plan. As part of the 11th Plan scheme, the capacity of Doordarshan's Direct to Home (DTH) is being increased to 97 channels from 59 channels. During the 12th Five-Year Plan, the capacity is expected to further increase to 250 channels.

The Indian and Canadian governments signed an audio-visual co-production deal in February 2014. The deal would help producers from both India and Canada to harness their artistic, technical, creative, financial and marketing resources for co-productions and, subsequently, lead to exchange of culture and art among the two countries.

Further, the Centre has given the nod for licences to 45 new news and entertainment channels in the country. Among those who have secured the licenses include established names such as Sony, Star, Viacom and Zee. Currently, there are 350 broadcasters which cater to 780 channels. "We want more competition and we wanted to open it up for the public. So far, we have approved the licences of 45 new channels. It's a mix of both news and non-news channels," as per Mr Bimal Julka, Secretary, Ministry of I&B, Government of India.



### **Road Ahead**

India's M&E industry will continue to bank on the digital area in future. With a growing internet user base of over 200 million, the industry's potential to generate revenue is vast. In 2013, telecom companies started focusing on data as a way to generating revenue. Also, advertising agencies competed with each other to acquire in the social media and digital domains. These developments suggest a bright future for the M&E industry in the country.

It is also time for the M&E sector to start looking at opportunities outside India. Africa and the Middle East are two of the fastest growing M&E markets, and Indian M&E companies would do well to explore these regions.

### **HUGE GROWTH POTENTIAL IN CINEMA ADVERTISING**

The Digital era has truly democratised cinema. Prior to the digital era, only about 500-600 screens across India got movies on the day of release. Now, with almost 100 per cent digitisation, all screens across India qualify as release centres. Prior to digitisation, advertising was limited to the 600 release centres across the country. Now, all 8,000-odd digital screens across India are available to advertisers who can use cinema to reach out not only to the audiences in metros and major cities, but further beyond.

Cinema advertising was always a part of out of home budgets. This is because the investment was made in cinema halls as properties and limited to 600 properties across India. Now with nearly 8,000 digital screens screening fresh content, providing over Rs 7.7 crore of unduplicated reach every week, the cinema space has become a powerful medium and is being seen as an important option to support television as a medium.

In the last 20 years, the big brands had moved away from cinema as a medium and had focused on TV as an audio-visual medium. This was because of the lack of control of independent screen owners and limited reach of the release centres.

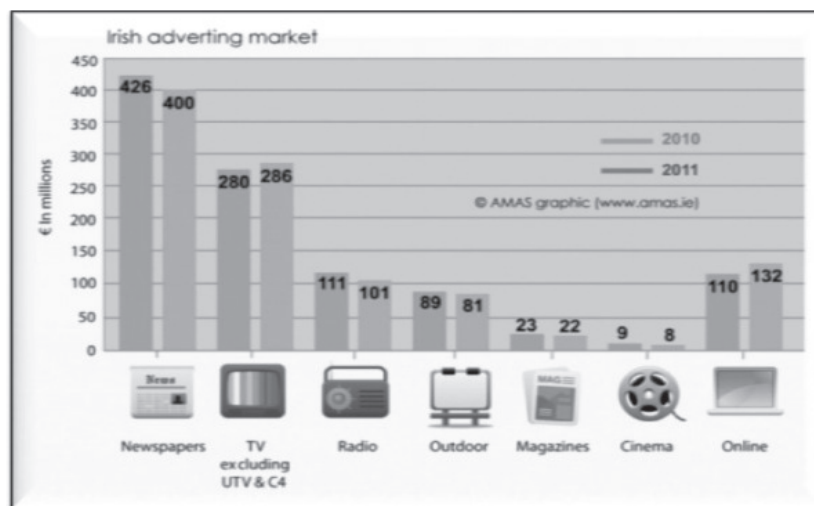
Now digital cinema chains have aggregated release centres across the country and the execution of campaigns has become seamless. This has led agencies and brand managers take a fresh look at the medium. The advertiser needs to now only talk to one media owner to execute a pan-India campaign.

To summarise, cinema advertising is gaining appeal among advertisers because of two major reasons: the structured manner in which ad inventory is sold (versus a largely fragmented market prior to digitisation) and the fact that it guarantees the undivided attention of captive audiences.

In geographic clusters with limited TV reach, brands struggle to get desired deliveries through television. With disproportionate cinema reach in these markets, cinema naturally becomes a preferred medium to support TV.

Over the last few years, brands have gone beyond using stars and have invested in film partnerships and sponsored film premieres on TV. Most brands have learnt that this investment on films is full of risks and it is better for them to invest in cinema. Smart brands have also understood that India goes to watch movies every week and that of 52 weeks available, 20-25 weeks are really big weeks, including weeks with holidays and festivals that draw maximum crowd. Brands make it a point to catch up with their audiences during these big weeks. More than 1,500 movies are released every year and brands don't want to limit themselves to the use of four/five movies.

Over the last two years, cinema advertising has grown faster than all other mediums (except online/digital). The next five years will see hectic activity in this space and the next leg of growth will come from off-screen activation.



### MOBILITY (VALUE ADDED SERVICES)

Mobile Value Added Service (MVAS) provider of carrier-grade messaging platforms and gateways, content management systems, WAP, Video and Voice platforms through managed services. Various services are developed and deployed using these platforms which includes interactive portals, community and user generated content applications and video streaming applications. Your Company manages VAS, aggregate content for operator's on-deck and off-deck portals, manage the delivery of content, manage mobile campaigns for media, advertising and enterprise customers. Your Company has created and aggregated 2G, 2.5G and 3G applications and products which can be routed over an Internet Protocol or IP network and enables mobile operators to deliver multimedia services. Your Company's products integrate multiple network functions and services needed for the delivery of advanced multimedia services, such as video streaming, voice-over-IP, chat and conferencing services, mobile TV.

Mobile operators are aggressively deploying next-generation wireless networks such as third generation or 3G networks that are capable of delivering high quality mobile multimedia services to subscribers. In deploying these new networks, mobile operators are seeking packet core network hardware and software that can deliver multimedia services with high performance, simplicity and reliability.

### FUTURE OUTLOOK

The media and entertainment industry in India consists of many different segments under its folds such as television, print, and films. It also includes smaller segments like radio, music, OOH, animation, gaming and visual effects (VFX) and Internet advertising.[1] Entertainment industry in India has registered an explosive growth in last two decades making it one of the fastest growing industries in India. From a single state owned channel, Doordarshan in the 1990s there are more than 400 active channels in the country. Worldwide, 2010 saw the global economy begin to recover from a steep decline in 2009. Improved economic conditions in 2010 played a major role in a rebound in customer spend. Since the world economy began to recover from the global financial crisis of 2008, improved economic conditions played a major role in rebound in consumer spend. While India was not critically impacted by the downturn in 2008 and 2009, it demonstrated one of the highest growth rates this year and continued to at a healthy pace. The rising rate of investments by the private sector and foreign media and entertainment (M&E) majors have improved India's entertainment infrastructure to a great extent. As per the recent report by PricewaterhouseCoopers[2] (PwC), Indians are likely to spend more on entertainment in the coming years with a steady growth in their disposable income. And as per the combined survey report by KMPG and FICCI, the entertainment industry in India is expected to expand by 12.5% every year and is likely to reach US\$ 20.09 billion by the year 2013. The industry pegged at INR 5808 billion in 2009 as compared to INR 3565 billion in 2005. The Indian Media & Entertainment Industry grew by US\$ 12.9 billion in 2009 to US\$

14.4 billion in 2010, a growth of 11 per cent, according to a report by the Federation of Indian Chambers of Commerce and Industry (FICCI) and research firm KPMG. The report also states that backed by positive industry sentiment and growing media consumption, the industry is estimated to achieve growth of 13 per cent in 2011 to touch US\$ 16.2 billion. As the industry braces for exciting times ahead, the sector is projected to grow at a CAGR of 14 percent to reach US\$ 28.1 billion by 2015.

## **COMPANY'S OUTLOOK**

### **TECHNOLOGY**

Digi Cine 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 SERVICE**

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

1. Digital Advertisement
2. Out of Home (OOH)
3. IPO Communication
4. Digital & Social Media
5. 360 Mobile Influence
6. Services with Innovation
7. Mobile communication consist of
  - ❖ Mobile Marketing
  - ❖ 3G Services
  - ❖ SMS Solution for Brokers
  - ❖ SMS Solution for Depository Participants
  - ❖ SMS Solution for Insurance Agents
  - ❖ Stock Price & News Alerts Service
  - ❖ Web based Bulk SMS service

### **DIGITAL ADVERTISEMENT**

Apart from Digital Cinema, Company has focus 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.

### **OUT OF HOME (OOH)**

After the inception of Interworld digital limited (IDL) OOH (Out-of-Home) division in 2009 many new innovation and ideas successfully conceived and benefited the brands in their budgets. In a span of just one year, IDL Out-of-Home successfully created a shift in the perception about the OOH industry in India - from conventional Outdoor Media to an all-encompassing 360-degree Out-of-Home communication solution. IDL OOH has developed a national network in partnership with more than 25 vendors providing more than 5000 billboards to cover any size of campaign. IDL OOH is offering specialized and most cost effective solutions in combination of Digital and Social media to provide maximum mileages to brand.

### **IPO COMMUNICATION**

Floating a successful IPO is getting tougher day by day. Every potential investor is going to rummage

online for information about your company and some time they found that many service receivers criticizing your service, complaining about your product, or creating doubt about company and company upcoming IPO. At this moment, we at Digi Media provide a unique online and offline service called 'Reputation Management'. We harness the power of the mobile and Internet and help you fight back against malicious attacks. Our process consists of 3 steps. First, We analyze the situation, Second, plan the strategy and Third is, execution of it .

We help to capitalize on cutting edge Web 2.0 and Mobile 2.0 Reputation Management techniques such as blogging, podcasts, video, RSS feeds, articles and press releases, social media posting, blog posting, industry relevant forum posting and more. We can even create micro websites built around specific keywords that are important to your business and get them on the first page of Google .In short we can say that , We offer customize Reputation Management system according to businessmen point of view and his business needs and help him to achieve his unique online Reputation Management goals.

### **DIGITAL SOCIAL MEDIA**

We at Interworld digital having expertise in marketing, advertising and operation offer social media strategy to corporate. Under this we work with client company management team, we help him to quickly come, and to grips with the impact of social media, creating within organization the necessary change that positions company brand, product, or service for success on the Social Web.

With IDL plan and strategy companies can easily build & launch social media marketing campaigns within shortest time. Campaign formats include quizzes, contests, coupons, virtual gifts and more.

We enables him to simultaneously publish in social media marketing campaign on Face book Fan Pages, Twitter and company Website.

### **360 ° MOBILE INFLUENCE**

Under 360 degree mobile service, we providing various type of services to our client company like give Answer on behalf of him as comments left by users on multiple blogs. Read what they say about brand and accordingly inform to the company.

We also offer tools to customers to share about company products (blogs, forums, surveys) with company .We also try to Connect with customers and also present on social networks and create a profile for brand. Apart of these, we are also replying offline Post by customer and announce coming event on Twitter, Post feeds on Face book, Blog about brand.

We believe, Success can only be achieved through anticipating, understanding and executing the trends in this arena, service innovation, service differentiation and value creation.

### **SERVICES WITH INNOVATION**

Today online environment is the perfect approach for a number of reasons. we know that many of the potential buyers are regularly visiting the major portal sites, online channel facilitates unprecedented user control. If a viewer wants to re-watch details about a specific product feature, they can do so easily. Finally, long-form online infomercials are designed to help prospects decide to buy, often leading them directly to the brand site.

IDL Digi Media help businesses increase their visibility online by creating, producing and optimising video content for their websites, blogs and social media streams.

### **MOBILE COMMUNICATION**

Mobile communication has groomed a lot in past few years, major reasons for rapid advancements in mobile network technology and its popularity among public so that company also able to take commercial advantages.

Interworld provides the ability for corporate and brands to communicate with large groups of people instantaneously anytime and anywhere via their mobile phone. Services include content delivery to mobile devices, mobile advertising, premium SMS, mobile sweepstakes, TXT2Screen, Txt N' Win and wireless

consulting. Our team is dedicated to the solutions, we provide to each one of our clients. Our Skill sets are complimentary in management, marketing /advertising and software development with significant international mobile marketing experience.

Interworld maintains a professional approach and will do everything to manage expectations and achieve the expected results. We dedicated to delivering the right mobile experience for both company and his valuable customers, and linking them to your brand, products and services.

### **OPPORTUNITY & CHALLENGES**

- **Growth in digital content consumption across media**

Digital technology continues to revolutionize media distribution – be it the rapid growth of DTH and the promise of digital cable, or increased digitization of film exhibition - and has enabled wider and cost effective reach across diverse and regional markets, and the development of targeted media content.

There has been increased proliferation and consumption of digital media content – be it newspapers and magazines, digital film prints, and online video and music or entirely new categories such as social media. Accordingly, online advertising spends have seen a spurt in growth viz a viz spends on traditional media.

- **Rise of new age user devices**

Smart phones, tablets, PCs, gaming devices, etc. all form the foundation of a new wave in media usage. This is gradually impacting the way content is being created and distributed as well. Multiple media including TV, films, news, radio, music etc are being impacted with this change.

- **New age consumers adapting themselves to the newer technologies**

As Indian consumers evolve, there is a heightened need to engage them across platforms and experiences. There is a greater need for integration and innovation across traditional and new media, with changing media consumption habits and preferences for niche content. Media companies today have no choice but to provide more touch points to engage with audiences.

- **Regionalization**

Regional television and print continued its strong growth trajectory owing to growth in incomes and consumption in the regional markets. National advertisers are looking at these markets as the next consumption hubs and the local advertisers are learning the benefits of marketing their products aggressively.

- **An advertising revenue dependant industry**

The ARPU (Average Revenue Per User) for television, average newspaper cost for print and average ticket price for films continue to be low on account of hyper competition in these industries. Segments like radio and a significant portion of online content are available free of cost to consumers. Owing to this, the Indian consumer is still not used to paying for content and hence the industry players are sensitive to the impact of the slowdown, which affects the budgets of advertisers.

- **Awaited regulatory shifts**

Lastly, apart from the shifts in consumer preferences, company strategies and business models, one big change awaited for the next growth wave is the implementation of recently enacted and regulations on digitisation for cable, implementation of Phase 3 and copyright for Radio and the roll out of 4G. These shifts are expected to be game changers in terms of how business is being done currently and what could be the path going forward.

The performance of Media – Entertainment sector in correlation with the economic growth, Film industry Growth and media Sector of the country. The Digital Industry involves inbuilt risk and uncertainty, which carries various opportunities and threats to the film industry .

## 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.

For and on behalf of the Board  
Sd/-

Man Mohan Gupta  
Chairman cum Managing Director

Place : New Delhi  
Date : 03.09.2015



## 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, 2015, your Company's Board has a strength of 4 (Four) Directors comprising of 1(One) Executive, 2 (Two) Non-Executive Independent Directors and 1(One) Non-Executive Woman Director.

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, Eight (8) Board meetings were held on May 30, 2014, August 13, 2014, September 02, 2014, September 30, 2014, November 14, 2014, November 20, 2014, February 13, 2015 and March 25, 2015.

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.

No Director of the Company is a member in more than 10 committees or act as Chairman of more than 5 Committees across all companies in which he is a Director.

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	8	Yes
Mr. Kamal Kishore Sharma (Resigned w.e.f. 25/03/2015)	Independent Director	Director	8	Yes
Mr. Ajay Sharma	Independent Director	Director	8	Yes
Ms. Anita Devi (Appointed w.e.f. 25/03/2015)	Woman Director	Director	-	No
Mr. Soban Singh Aswal (Appointed w.e.f. 25/03/2015)	Independent Director	Director	-	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. The Company has a Code of Conduct for Directors and Senior Management personnel. All Directors and Senior Management Personnel have affirmed compliance with the code of conduct approved and adopted by the Board of Directors.

### 3. Committees of the Board

In compliance with the Listing Agreement and the SEBI Regulations, the Board has constituted a set of Committees with specific terms of reference and scope to deal with specified matters expediently. Presently, the Board has four Committees

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee
- d) Risk Management Committee

#### a) Audit Committee

##### Terms of reference

The role and terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. This, inter alia, includes the overview of Company's financial reporting process, review of quarterly, half yearly and annual financial statements, review of internal control and internal audit systems, engage consultants who can analyze/review the internal practices and give a report thereon to the audit committee from time to time in respect of Company's Financial Reporting and controls thereto, recommendation for appointment, remuneration and terms of appointment of auditors of the company, review and monitor the auditors' independence, approval of any subsequent modification of transactions with the related parties, scrutiny of inter corporate loans and investments, etc

The purpose of the Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure process, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The Chairman of the Audit Committee was present and available to answer the shareholders' queries in the last Annual General Meeting held on 30.09.2014

**The Committee held its meetings on 30th May, 2014, 13th August, 2014. 02nd September, 2014, 14th November, 2014 and 13th February 2015.**

##### Audit Committee Attendance

All the members of the committee were present in the meetings. Chairman of the Committee attended the Annual General Meeting held on 30.09.2014 and provided clarifications to members of the Company on matters relating to accounts and audit. The minutes of the meetings are placed before the Board at the succeeding Board Meeting for information. Quorum was present at all meetings.

Name of the Director	Category	Designation	Nos. of Meetings Attended
Mr. Kamal Kishore Sharma (Resigned w.e.f 25/03/2015)	Chairman	Independent Director	5
Mr. Man Mohan Gupta	Member	Managing Director	5
Mr. Ajay Sharma	Member	Independent Director	5
Mr. Soban Singh Aswal (Appointed w.e.f 25/03/2015)	Member	Independent Director	-

The Board of Directors has appointed M/s Sanghi & Co., Chartered Accountants as the Internal Auditors of the Company to conduct the internal audit of various records and other operations of the Company. The Audit Committee also assures the Board about the internal control procedures and financial disclosures commensurate with the size of the Company and in conformity with the requirements of Listing Agreement of the Stock Exchanges.

**b) Stakeholders' Relationship Committee**

During the year under review, to give effect to the amended Clause 49 of the Listing Agreement, the Shareholders' & Investors' Grievance Committee and Share Transfer Committee was renamed as Stakeholders' Relationship Committee. All matters related to transfer/ transmission of shares and Investor grievances have been entrusted to the Stakeholders' Relationship Committee. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company. Further, the Committee reviews the complaints received by the investors and the action taken by the management to sort out these complaints. The Minutes of the Committee are circulated to the Board of Directors.

The Stakeholders' Relationship Committee comprises of the following Directors:

Name of Members	Status	Designation
Mr. Ajay Sharma	Chairman	Independent Director
Mr. Man Mohan Gupta	Member	Managing Director
Mr. Kamal Kishore Sharma (Resigned w.e.f. 25/03/2015)	Member	Independent Director
Mr. Soban Singh Aswal (Appointed w.e.f. 25/03/2015)	Member	Independent Director

In order to expedite transfer of shares in physical form, the Board has authorized M/s Skyline Financial Services Private Limited, the Share Transfer Agent to approve the transfer of shares. The Committee meets as per the requirements from time to time.

The Committee meets twice or thrice in a year and as and when the need arises. The Company Secretary also acts as the Secretary of the Committee.

**c) Nomination and Remuneration Committee**

During the year under review, the Board has renamed the remuneration committee as the Nomination and remuneration Committee to give effect to the provisions of Section 178 of Companies Act, 2013 and revised Clause 49 of the Listing Agreement. The broad terms of reference of the Nomination and Remuneration Committee (NRC), inter alia are as follows:

- Appointment/re-appointment of Managing Director/Executive Director.
- Review the performance of the Managing Director/Executive Director of the company.
- Recommend to the Board remuneration including Salary, perquisites and performance bonus to be paid to the Company's Managing Director/Executive Director.
- Review of remuneration policy of the Company in line with the market trends to attract and retain the right talent.
- Review and approval of revision in remuneration of Top Management Executives of the Company.

- f. Grant of Employees Stock Options to Designated Employees.
- g. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
- h. Formulation of criteria for evaluation of Independent Directors and the Board.
- i. Devising a policy on Board diversity.
- j. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Remuneration Committee is headed by an Independent Director and consists of the following Directors:

Name of Members	Status	Designation
Mr Ajay Sharma	Chairman	Independent Director
Mr Man Mohan Gupta	Member	Managing Director
Mr Kamal Kishore Sharma (resigned w.e.f 25/03/2015)	Member	Independent Director
Mr. Soban Singh Aswal (Appointed w.e.f. 25/03/2015)	Member	Independent Director

#### Remuneration Policy

The Nomination and Remuneration Committee while deciding the remuneration package of the Directors and Senior Management Executives ensures that:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully,
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### Remuneration to Directors

During the financial year 2014-15, no Stock Options were granted to any of the Directors. Further, except Mr. Man Mohan Gupta, Managing Director of the Company, none of the Directors is getting remuneration from the Company.

None of the Directors of the Company hold equity shares of the Company, except Mr. Man Mohan Gupta, being the promoter and Managing Director of the Company who holds 2,09,76,616 equity shares of the Company as on 31st March, 2015.

#### 4. Risk Management Committee

The revised Clause 49 of the Listing Agreement mandates constitution of Risk Management Committee. The Company has a risk management programme which comprises of a series of processes, structures and guidelines to assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile. The objectives and scope of the Risk Management Committee broadly comprises:

- (i) Oversight of the risk management performed by the executive management,
- (ii) Review of the risk management policy,
- (iii) Reviewing risks and initiating mitigation activities,
- (iv) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

During the Financial Year 2014-15, the Risk Management Committee met once. The Risk Management Committee comprised of the following Directors of the Company:

Name of Members	Status
Mr. Ajay Sharma	Chairman
Mr. Man Mohan Gupta	Member
Mr. Kamal Kishore Sharma (resigned w.e.f 25/03/2015)	Member
Mr. Soban Singh Aswal (Appointed w.e.f. 25/03/2015)	Member

### Minutes of Committee Meetings

Minutes of all the committee meetings are circulated to the members of the Board, as an Agenda of Board Meeting, for their information and noting.

### General Body Meetings

Date, time and venue of the last three Annual General Meetings:

Year	Date	Time	Venue
17 <sup>th</sup> AGM	September 29, 2012	9.30 A.M.	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi- 110 001
18 <sup>th</sup> AGM	September 30, 2013	9.30 A.M.	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi- 110 001
19 <sup>th</sup> AGM	September 30, 2014	9.30 A.M.	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi- 110 001

During the financial year 2014-15, three(3) special resolutions were passed at the 19th Annual General Meeting of the Company held on 30/09/2014. Further, during the year under review, no consent of the members was sought through Postal Ballot.

### General Shareholder Information

Annual General Meeting:

Date and Time

Wednesday, 30th September, 2015, 09:30 A.M.

Venue

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

### Calendar for the financial year ending 31st March, 2016

Financial Reporting for the	Tentative time frame
First quarter ended 30th June, 2015	First fortnight of August, 2015
Second quarter ending 30th September, 2015	First fortnight of November, 2015
Third quarter ending 31st December, 2015	First fortnight of February, 2016
Fourth quarter ending 31st March, 2016	End of May, 2016

### Stock Exchanges where Shares are listed:

The Company's Shares are listed at Bombay Stock Exchange Limited.

Stock Code/Isin No.

Bombay Stock Exchange : 532072 (Scrip Code)

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

### Dates of Book Closure:

24th September, 2015 to 30th September, 2015 (both days inclusive).

**Listing on Stock Exchanges**

The Bombay Stock Exchange Ltd.,  
1st Floor, P.J. Towers,  
Dalal Street,  
Mumbai-400001

**ISIN No**

The Company's Demat International Security Identification Number (ISIN) for its equity shares in NSDL and CDSL is INE177D01020.

**Stock Market Data**

The Company's equity shares are listed at Bombay Stock Exchange Ltd. (BSE). The monthly high and low quotations of equity shares traded on the Bombay Stock Exchange Limited during the financial year 2014-15 are as follows:

Source: BSE's Website –

**Company :INTERWORLD DIGITAL LTD.- 532072**

**Period: Apr 2014 to Mar 2015**

All Prices in ₹

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 14	0.34	0.51	0.34	0.47	6,24,005	192	2,83,003	5,94,005	95.19	0.17	0.13
May 14	0.45	0.65	0.45	0.55	10,10,382	506	5,76,734	10,10,182	99.98	0.20	0.10
Jun 14	0.57	0.57	0.41	0.46	15,61,995	787	6,99,700	15,12,463	96.83	0.16	-0.11
Jul 14	0.46	0.75	0.44	0.63	14,53,343	1,333	9,11,837	12,21,353	84.04	0.31	0.17
Aug 14	0.64	0.70	0.47	0.68	11,97,731	587	6,92,812	11,36,416	94.88	0.23	0.04
Sep 14	0.67	1.34	0.62	1.27	1,40,41,132	5,783	1,58,96,198	1,26,00,310	89.74	0.72	0.60
Oct 14	1.33	1.95	1.24	1.24	92,62,889	4,214	1,54,43,379	62,18,835	67.14	0.71	-0.09
Nov 14	1.18	1.18	0.85	0.85	13,49,459	297	12,22,381	12,82,500	95.04	0.33	-0.33
Dec 14	0.84	0.84	0.63	0.63	6,26,611	144	4,74,387	6,26,610	100.00	0.21	-0.21
Jan 15	0.62	1.07	0.59	1.07	1,40,64,769	1,085	1,31,06,579	1,39,11,199	98.91	0.48	0.45
Feb 15	1.12	1.55	1.12	1.41	2,15,85,490	3,257	3,09,27,664	2,01,27,989	93.25	0.43	0.29
Mar 15	1.40	1.52	1.14	1.20	3,15,90,060	3,386	4,24,24,419	3,15,90,060	100.00	0.38	-0.20

**Share Transfer System**

In compliance with SEBI Guidelines, the Registration of Share transfers in physical form as well as in electronic form have been assigned to Skyline Financial Services Pvt Ltd. In order to ensure timely registration of transfer and return of certificates, the Company monitors the Registrars work closely on regular basis.

**Means of Communication**

The quarterly un-audited financial results are sent to BSE, i.e., where the Company's shares of the Company are listed immediately after the Board meetings.

The Company also regularly published its audited/unaudited financial results in Business Standard in both English and Hindi edition.

**Brief profile of the Directors liable to retire by rotation and others**

Brief resumes of the Directors who are proposed to be appointed/ re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting forming part of this Annual Report.



### **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

#### **Address of the Registrar**

Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor, Okhla Industrial Area

Phase -1, New Delhi-110020.

#### **Website Address of the Company**

[www.interworld.co.in](http://www.interworld.co.in)

### **Investor's Correspondence may be addressed to**

The shareholders desiring to communicate with the Company on any matter relating to their shares of the Company may either visit in person or write quoting their Folio Number at the following address:

The Company Secretary,  
Interworld Digital Limited,  
701, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi – 110001

The Company has an exclusive email id – [info@interworld.co.in](mailto: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.

### **SEBI Complaints Redress System (SCORES)**

SCORES, i.e., a Sebi Complaints Redress System is a centralized web based complaints redress system which serves as a centralised database of all Complaints received enables uploading of Action Taken Reports (ATR's) by the concerned Companies & online viewing by the investors of actions taken on the Complaint & its current status. Your Company, is registered with SEBI under the SCORES system.

### **Dematerialization of Shares and Liquidity**

The Company shares are traded in dematerialized form and have to be delivered in the dematerialized form to all Stock Exchanges. To enable shareholders an easy access to the de – mat system, the Company has executed agreements with both existing Depositories namely National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). M/s Skyline Financial Services Pvt Ltd. is the Registrar and Transfer agent of the company for the purposes of electronic connectivity for effective dematerialization of shares.

### **Declaration of compliance with the Code of Conduct/Ethics**

In compliance with SEBI's regulation as amended on Prohibition of Insider Trading, the Company has formulated a Code of Conduct for prohibition and prevention of Insider Trading for the designated employees. The Code lays down Guidelines and procedures to be followed and disclosures to be made while dealing with equity shares of the Company.

All the Directors and Senior Management have affirmed compliance with the Code of Conduct/Ethics as approved and adopted by the Board of Directors.

### **CEO/CFO Certification**

The Managing Director has issued certificate pursuant to the provisions of Clause 49 of the Listing

Agreement certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's affairs.

#### Auditors' Certificate on Corporate Governance

A Certificate has been obtained from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. The same is annexed to this report.

#### Disclosures

- (i) There were no transactions of the material nature with the Directors or the management or their subsidiaries or relatives, etc during the year that had potential conflict with the interests of the Company at large. The details of related party transactions, if any, have been reported in the Notes to Accounts.
- (ii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and, in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgements made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iii) The Company has formulated a Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company.
- (iv) The Company has well defined Risk Management Policy for its business duly approved by the Board., which is periodically reviewed to ensure management controls risks by means of a properly defined framework.
- (v) The Company has not raised funds from the capital market (public/rights/preferential issues, etc.) during the financial year.

#### Status of Dematerialised Shares as on 31st March, 2015

(Equity ISIN No. INE 177D01020)

Shares Held through	No. of Shares	Percentage of Holding
NSDL	19,83,92,738	41.47
CDSL	18,89,75,062	39.50
Physical	9,10,09,200	19.03
Total	47,83,77,000	100.00

Shareholding Pattern as on March 31, 2015

S. No.	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
<b>1</b>	<b>Promoters</b>		
(a)	Indian Promoters	45976616	9.61
(b)	Body Corporates	19046048	3.98
(c)	Foreign Promoters	Nil	Nil
<b>2</b>	<b>Persons acting in concert</b>	Nil	Nil
	<b>Sub-Total (A)</b>	<b>65022664</b>	<b>13.59</b>
<b>B</b>	<b>Non-Promoters Holding</b>	Nil	Nil
<b>3</b>	<b>Institutional Investors</b>		
(a)	Mutual Funds and UTI	Nil	Nil

Interworld Digital Limited |20<sup>th</sup> Annual General Meeting

<b>(b)</b>	Banks, Financial Institutions, Insurance	Nil	Nil
<b>(c)</b>	Companies (Central/State Government Institutions)	Nil	Nil
<b>((d)</b>	FII's	Nil	Nil
	<b>Sub-Total (B)</b>	Nil	Nil
<b>C</b>	<b>Others</b>		
<b>(a)</b>	Bodies Corporates	305321159	63.82
<b>(b)</b>	Individual		
	Individual shareholders holding nominal share capital up to Rs 1 lakh	24158987	5.05
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	78945749	16.50
<b>(c)</b>	Any Other (please specify)	4928441	1.03
	<b>Sub-Total (C)</b>	<b>413354336</b>	<b>86.41</b>
	<b>Grand Total (A+B+C)</b>	<b>478377000</b>	<b>100.00</b>

For and on behalf of the Board  
Sd/-  
**Man Mohan Gupta**  
Chairman cum Managing Director

Place : New Delhi  
Date : 03.09.2015

## 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 2015, 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 Accounts**

**Sd/-  
Santosh Kumar  
Partner  
Membership No. 533944**

**Place : New Delhi  
Date : 30.05.2015**

## 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 2014-15.

**For Interworld Digital Limited  
Sd/-  
Man Mohan Gupta  
Chairman cum Managing Director**

**Place : New Delhi  
Date : 30.05.2015**

## Annexure I

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L72900DL1995PLC067808
2.	Registration Date	25/04/1995
3.	Name of the Company	Interworld Digital Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non- Government Company
5.	Address of the Registered office & contact details	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001, 011-43571045
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Skyline Financial services Pvt. Ltd. D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020, 011-64732681-88

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

The Company is engaged in IT enabled services, Digital Cinema services and other trading activities.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- Not Applicable**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	-	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)***i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1st-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	45,976,616	-	45,976,616	9.61	45,976,616	-	45,976,616	9.61	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	19,046,048	-	19,046,048	3.98	19,046,048	-	19,046,048	3.98	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>65,022,664</b>	<b>-</b>	<b>65,022,664</b>	<b>13.59</b>	<b>65,022,664</b>	<b>-</b>	<b>65,022,664</b>	<b>13.59</b>	<b>-</b>
(2) <b>Foreign</b>									
a) NRIs-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-

c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	65,022,664	-	65,022,664	13.59	65,022,664	-	65,022,664	13.59	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds								-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	177,122,544	128,273,900	305,396,444	63.84	215,172,259	90,148,900	305,321,159	63.82	-0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	21,972,147	2,60,300	22,232,447	4.65	23,898,687	2,603,00	24,158,987	05.05	0.40
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	82,106,196	6,00,000	82,706,196	17.29	78,345,749	600000	78,945,749	16.50	0.79
c) Others (specify)									
Non Resident Indians	335370	-	335370	0.07	8,47,696	-	8,47,696	0.18	0.11
Hindu Undivided Family	2,673,379	-	2,673,379	0.56	2,767,735	-	2,767,735	0.58	0.02
Clearing Members	10,500	-	10,500	0.00	1313010	-	1313010	0.27	0.27
<b>Sub-total (B)(2):-</b>	284,220,136	129,134,200	413,354,336	86.41	322,345,136	91,009,200	413,354,336	86.41	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	284,220,136	129,134,200	413,354,336	86.41	322,345,136	91,009,200	413,354,336	86.41	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	349,242,800	129,134,200	478,377,000	100	387,367,800	91,009,200	478,377,000	100	-



## ii) Shareholding of Promoter-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st-April-2014]			Shareholding at the end of the year [As on 31st-March-2015]			% change in share- holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Man Mohan Gupta	1,00,45,873	2.10	-	1,00,45,873	2.10	-	-
2.	Mr. Man Mohan Gupta	9,25,743	0.19	-	9,25,743	0.19	-	-
3.	Mr. Man Mohan Gupta	1,00,05,000	2.09	-	1,00,05,000	2.09	-	-
4.	Mr. Peeyush Kumar Aggarwal	2,50,00,000	5.23	-	2,50,00,000	5.23	-	-
5.	M/s. Firstbiz Network Private Limited	13,348	0.00	-	13,348	0.00	-	-
6.	M/s. Omkam Capital Markets Private Limited	20,38,100	0.43	-	20,38,100	0.43	-	-
7.	M/s. MM Commodities Private Limited	1,11,21,600	2.32	-	1,11,21,600	2.32	-	-
8.	M/s. Omkam Communi- cations Private Limited	19,26,000	0.40	-	19,26,000	0.40	-	-
9.	M/s. Omkam Apparels Private Limited	18,46,000	0.39	-	18,46,000	0.39	-	-
10.	M/s. Omkam Global Capital Private Limited	16,01,000	0.33	-	16,01,000	0.33	-	-
11.	M/s. Omkam Commo- dities Private Limited	5,00,000	0.10	-	5,00,000	0.10	-	-
	<b>Total</b>	<b>6,50,22,664</b>	<b>13.59</b>	<b>-</b>	<b>6,50,22,664</b>	<b>13.59</b>	<b>-</b>	<b>-</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change): Not Applicable\*

Sl. No.	Particulars	Shareholding at the beginning of the year [As on 1st-April-2014]		Cumulative Shareholding during the year (1st-April-2014 to 31 <sup>st</sup> -March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

\*During the year under review, there is no change in the Promoters' Shareholding of the Company.

iv) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 1st-April-2014]		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (1st-April-2014 to 31 <sup>st</sup> -March, 2015)		
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	
	<b>1.Mr. Govind Shivshankarlal Gupta</b>								
	At the beginning of the year	39961028	8.35						
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	30/09/2014 10/10/2014 17/10/2014 24/10/2014 27/02/2015 13/03/2015 31/03/2015	(91000) (409500) (322000) (167100) (2500000) (1500000) (107000)	Sale Sale Sale Sale Sale Sale Sale	39870028 39460528 39138528 38971428 36471428 34971428 34864428	8.33 8.25 8.18 8.15 7.62 7.31 7.29	
	At the end of the year	34864428	7.29				34864428		7.29

<b>2. M/s. Adamina Traders Private Limited</b>									
	At the beginning of the year	22053776	4.61				22053776		4.61
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil	Nil	Nil		Nil
	At the end of the year	22053776	4.61				22053776		4.61
<b>3. M/s. Lakeview Land Private Limited</b>									
	At the beginning of the year	22000000	4.60				22000000		4.60
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil	Nil	Nil		Nil
	At the end of the year	22000000	4.60				22000000		4.60
<b>4.Mr. Tejpal Ambalal Shah</b>									
	At the beginning of the year	21366560	4.47						
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	16/05/2014 23/05/2014 05/09/2014 31/10/2014 14/11/2014	(701) 701 (101818) (17154) (38415)	Sale Purchase Sale Sale Sale	21365859 21366560 21264742 21247588 21209173		4.47 4.47 4.45 4.44 4.43
	At the end of the year	21209173	4.43				21209173		4.43
<b>5.M/s. Dhiru Realestates Private Limited</b>									
	At the beginning of the year	28550000	5.97						
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	25/07/2014	(7550000)	Sale	21000000		4.39
	At the end of the year	21000000	4.39				21000000		4.39
<b>6. 5.M/s. Harsimrat Investments Private Limited</b>									
	At the beginning of the year	8658209	1.81						
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	04/04/2014 02/05/2014 09/05/2014 16/05/2014 23/05/2014 18/07/2014 25/07/2014 01/08/2014 08/08/2014 15/08/2015 05/09/2014 10/10/2014 17/10/2014 24/10/2014 31/10/2015 28/11/2014 13/02/2015 20/02/2015 27/02/2015 06/03/2015 13/03/2015 20/03/2015 27/03/2015	(11000) (7000) 45000 21395 24500 65000 7551000 65050 25000 500 23000 (3000000) 3000000 (2119298) 1984735 200000 (75715) (475952) (179276) (498) (60000) (444000) 186500	Sale Sale Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Sale Purchase Purchase Purchase Purchase Sale Sale Sale Sale Sale Sale Purchase	8647209 8640209 8685209 8706604 8731104 8796104 16347104 16412154 16437154 16437654 16460654 13460654 16460654 14341356 16326091 16526091 16450376 15974424 15795148 15794650 15734650 15290650 15477150		1.81 1.81 1.82 1.82 1.83 1.84 3.42 3.43 3.44 3.44 3.44 2.81 3.44 3.00 3.41 3.45 3.44 3.34 3.30 3.30 3.29 3.20 3.24
	At the end of the year	15477150	3.24				15477150		3.24

7. M/s. Shriram Credit Company Limited									
	At the beginning of the year	20500245	4.29						
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	25/04/2014	(15000)		Sale	20485245	4.28
				02/05/2014	(293630)		Sale	20191615	4.22
				09/05/2014	(36370)		Sale	20155245	4.21
				23/05/2014	(38545)		Sale	20116700	4.21
				30/05/2014	(198640)		Sale	19918060	4.16
				06/06/2014	(15000)		Sale	19903060	4.16
				13/06/2014	(131831)		Sale	19771229	4.13
				30/06/2014	(187075)		Sale	19584154	4.09
				11/07/2014	(70245)		Sale	19513909	4.08
				01/08/2014	(110485)		Sale	19403424	4.06
				08/08/2014	(44955)		Sale	19358469	4.05
				12/09/2014	93879		Purchase	19452348	4.07
				19/09/2014	(485990)		Sale	18966358	3.96
				30/09/2014	(2520100)		Sale	16446258	3.44
				31/10/2014	(16681)		Sale	16429577	3.43
				09/01/2015	(178176)		Sale	16251401	3.40
				23/01/2015	(1402337)		Sale	14849064	3.10
	At the end of the year	14849064	3.10					14849064	3.10
8.M/s. Anvita Trading Co Pvt. Ltd.									
	At the beginning of the year	15000000	3.14					15000000	3.14
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil	Nil	Nil		Nil
	At the end of the year	15000000	3.14					15000000	3.14
9.M/s. Neelabh Spinning Mills Private Limited									
	At the beginning of the year	7950000	1.66						
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	25/07/2014	7925000	Purchase	15875000		3.32
	At the end of the year	15875000	3.32					15875000	3.32
10.M/s. Naseem Tradelink Private Limited									
	At the beginning of the year	14500000	3.03					14500000	3.03
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil	Nil	Nil		Nil
	At the end of the year	14500000	3.03					14500000	3.03

## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel*	Shareholding at the beginning of the year [As on 1st-April-2014]		Cumulative Shareholding during the Year (1st-April-2014 to 31 <sup>st</sup> -March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Man Mohan Gupta (Managing Director)					
	At the beginning of the year	20976616	4.38	20976616	4.38
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	20976616	4.38	20976616	4.38

No other Directors/KMP hold Shares in the Company as on 31.03.2015.

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		Mr. Man Mohan Gupta (Managing Director)	
1	Gross salary	1200000	1200000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act	Nil	Nil

**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Ajay Sharma	Mr. Kamal Kishore Sharma	Mr. Soban Singh Aswal	
1	Independent Directors	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors	Ms. Anita Devi			
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	90000	Nil	90000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	90000	Nil	90000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				

# NOMINATION & REMUNERATION POLICY

## 1. Introduction

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of had constituted the Nomination and Remuneration Committee. The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 the listing agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

## 2. Objective and purpose of the policy

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;
- 2.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- 2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.4 To devise a policy on Board diversity; and
- 2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

## Definitions

- Board' means Board of Directors of the Company.
- Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.
- Company' means Interworld Digital Limited.
- Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- Key Managerial Personnel (KMP)' means-
  - (i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;



- (ii) the Company Secretary; and
- (iii) the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **General**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

### **Part – A**

#### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt by the Committee:-

##### **(a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole and ensure compliance of various provision of applicable laws and listing agreement;

##### **(b) Directors:**

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

##### **(c) Succession plans:**

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

##### **(d) Evaluation of performance:**

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

##### **(e) Remuneration framework and policies:**

The Committee is responsible for reviewing and making recommendations to the Board on:

- (i) the remuneration of the Managing Director, Whole-time Directors and KMPs
- (ii) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- (iii) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
- (iv) attract and motivate talent to pursue the Company's long term growth;
- (v) demonstrate a clear relationship between executive compensation and performance; and
- (vi) be reasonable and fair, having regard to best governance practices and legal requirements.
- (vii) The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- (viii) the Company's remuneration reporting in the financial statements.

## **PART – B**

### **Policy for appointment and removal of Director, KMPs and Senior Management**

#### **I. Appointment criteria and qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years and shall not appoint Independent Director who is below age of 21 years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Seventy years as the case may be.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

#### **II. Term / Tenure**

##### **1. Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **2. Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such

Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

### **III. Retirement**

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company with the approval of shareholders by passing a special resolution at the general meeting of the Company.

## **PART – C**

### **Policy relating to the remuneration for Directors, KMPs and other employees**

#### **A. General**

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of Chapter xiii of the Companies Act, 2013 read with schedule v, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **B. Remuneration to KMPs and other employees**

The policy on remuneration for KMPs and other employees is as below:-

##### **1. Fixed pay**

The remuneration and reward structure for employees comprises two broad components - annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

##### **a) Annual remuneration**

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Employee is required to determine his/her key result areas for that particular defined role. The performance-linked variable pay will be directly linked to

the performance on individual components of the performance and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys, from time to time.

**(b) Long-term rewards**

Long-term rewards may be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and approval of the Committee.

The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

**2. Minimum remuneration to Managing Director/ Chief Executive officer**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**C. Remuneration to Non-Executive / Independent Directors**

**1. Remuneration**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the

Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**2. Stock options**

The Independent Directors shall not be entitled to any stock option of the Company.

**Policy review**

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED March 31, 2015

To,  
The Members,  
**INTERWORLD DIGITAL LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INTERWORLD DIGITAL LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31/03/2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:-

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited ;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

\* The Company has delayed in filing of some documents with the Registrar of Companies for which additional fees were duly paid as per the provisions of the Companies Act, 2013.

\* The Company has not filed Annual Return for Financial Year 2013-14.

\* There is a discrepancy as regards to the Authorised capital of the Company as shown by Master Data of the Company on the website of Ministry of Corporate Affairs and the Balance Sheet of the Company. As The Company has not filed form 5 for Increase in Authorised capital from Rs. 21 Crores to rs. 70 Crores during the financial Year 2010-11.

None of the directors of the company are qualified as on 31st march, 2015 for reappointment and appointment for any other Company in terms of section 164(2) of the Act.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place: New Delhi**

**Date: 30.05.2015**

**For A. K. Friends & Co.**

**Sd/-**

**Ashish Kumar Friends**

**Practising Company Secretary**

**C. P. No. 4056, Mem No. FCS 5129**



## Annexure - 4

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2014-15 (Rs. In Lacs p.a.)	% Increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Man Mohan Gupta Managing Director	12.00	Not Applicable	5.08:1	Net Profit for the financial year 2014-15 is Rs.15.40 Lacs as compare to Net Profit of Rs. 71.15 Lacs for the financial year 2013-14.
2.	Mr. Kamal Kishore Sharma Independent Director	Not Applicable	Not Applicable	Not Applicable	
3.	Mr. Ajay Sharma Independent Director	Not Applicable	Not Applicable	Not Applicable	
4.	Ms. Anita Devi Independent Director	Not Applicable	Not Applicable	Not Applicable	
5.	Ms. Narender Kumar Baid Company Secretary	0.90	NIL	Not Applicable	Net Profit for the financial year 2014-15 is Rs.15.40 Lacs as compare to Net Profit of Rs. 71.15 Lacs for the financial year 2013-14.

No sitting fee was paid to any of the Directors for attending Board Meeting/Committee Meetings.

- ii. In the financial year, there was no increase in the median remuneration of employees;
- iii. There were 18 permanent employees on rolls of Company as on March 31, 2015;
- iv. Relationship between average increase in remuneration and company performance – During the F.Y. 2014-15, there was no increase in remuneration. The company earned a net profit of Rs. 15.40 Lacs only for the financial year 2014-15, Further, there was no increase in median remuneration.
- a) Variations in the market capitalization of the Company : The market capitalization as on March 31, 2015 was Rs. 57,40,52,400 as compared to market capitalization of Rs. 15,78,64,410 on March 31, 2014
- b) The closing price of the Company's equity shares on the BSE as on March 31, 2015 was Rs. 1.20 per share.

- vi. The Key Parameters for any variable component of remuneration availed by the Directors – Please refer to the salient features of Remuneration Policy annexed and forming part of this Report.
- vii. Average percentage in increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was NIL
- viii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- ix. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x. None of the employees of the Company are related to any Director of the Company.

## INDEPENDENT AUDITOR'S' REPORT

### TO THE MEMBERS OF INTERWORLD DIGITAL LIMITED

#### 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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year ended.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

#### Basis for Qualified Opinion

The Company has increased its authorized capital from Rs. 21 Crores to Rs. 70 Crores during the period From FY 2010-11, ROC fees of Rs. 55,97,309 towards the same stands payable, under the head "Current Liabilities" in the Financial Statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except

for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date

**Report on other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors are qualified as on 31<sup>st</sup> march 2015 for reappointment and appointment for any other company in terms of Section 164(2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations on its financial position in its financial statements.
  - ii. As per information furnished to us, the Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Place : New Delhi  
Date : 30.05.2015**

**Sd/-  
Santosh Kumar  
Partner  
M.No. 533944**

## ANNEXURE TO THE AUDITORS' REPORT

**The Annexure referred to in our independent Auditors Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2015, we report that**

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.  
(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
2. (a) The Management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.
3. Accordingly to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014(as amended)
6. Maintenance of cost records has not been prescribed by the Central Government U/s. 148(1) of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account of Company, undisputed statutory dues including provident fund, employees state insurance, income-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except Service tax for amounting Rs. 1,69,33,378 TDS u/s 192 for amounting Rs. 13,50,745 and interest thereon and ROC fee for increase of authorized share capital is amounting Rs. 55,97,309.  
(b) According to the information and explanation given to us, no other disputed amounts except above, are payable on account of provident fund, employees state insurance, income-tax, service tax, duty of customs, duty of excise, value added tax, as at 31.03.2015 for a period of more than six months from the date they become payable.  
(c) According to the information and explanations given to us there are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the companies Act, 1956 (1of 1956) and rules made there under.
8. In our opinion and according to information and explanation given to us, company has not accumulated losses at the end of the financial year.

9. According to information & explanation given to us and based on the documents and records produced to us, company has not defaulted in repayment of dues to a financial institution or bank
10. As per information furnished to us, the company has not given any guarantee for loans taken by others from bank or financial institution.
11. According to the information & explanation given to us, during the year company has not raised any term loan.
12. 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**

**Place : New Delhi  
Date : 30.05.2015**

**Sd/-  
Santosh Kumar  
Partner  
M.No. 533944**



**INTERWORLD DIGITAL LIMITED**  
**CIN:L72900DL1995PLC067808**  
**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Amounts in Rs)

<b>I. EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>As on 31st March, 2015</b>	<b>As on 31st March, 2014</b>
<b>1. Shareholder's Funds</b>			
Share Capital	1	47,83,77,000	47,83,77,000
Reserves and Surplus	2	78,42,18,797	78,56,21,752
Money received against share warrants		-	-
<b>2. Share Application money pending allotment</b>		-	-
<b>3. Non-Current Liabilities</b>			
Long-Term Borrowings	3	1,24,34,659	3,13,66,566
Deferred Tax Liabilities (Net)	4	1,27,85,285	1,39,60,080
Other Long term liabilities		-	-
Long-term provisions		-	-
<b>4. Current Liabilities</b>			
Trade Payables	5	10,86,83,713	1,53,10,393
Other Current Liabilities	6	1,24,53,585	2,44,67,045
Short-Term Provisions	7	2,75,91,439	19,41,055
Short-term borrowings	8	5,281,622	-
		<b>1,441,826,100</b>	<b>135,10,43,891</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>Fixed Assets</b>	9		
-Tangible Assets		88,03,232	1,78,81,067
-Intangible Assets		5,24,50,232	5,10,73,487
-Capital work-in-progress		4,32,23,366	107,98,63,103
Other non-current Investment	10	1,47,28,500	-
Other non-current assets	11	-	35,00,000
Long-term loans and advances	12	106,54,37,613	-
<b>2. Current Assets</b>			
Inventories	13	65,60,592	40,26,387
Trade receivables	14	23,99,14,957	14,04,73,250
Cash and cash equivalents	15	12,16,326	15,19,935
Short-term loans and advances	16	67,37,728	5,21,19,628
Other current assets	17	27,53,554	5,87,034
		<b>1,441,826,100</b>	<b>135,10,43,891</b>
<b>Notes forming part of the financial statements</b>			

In terms of our report attached

For and on behalf of the Board of Directors

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

**Sd/-**  
**(Santosh Kumar)**  
**Partner**  
**M.No. 533944**  
**Place : New Delhi**  
**Date : 30.05.2015**

**Sd/-**  
**Man Mohan Gupta**  
**M. Director**  
**DIN : 00161861**

**Sd/-**  
**(Ajay Sharma)**  
**Director**  
**DIN : 03344008**  
**Sd/-**  
**(Narender Kumar Baid)**  
**Company Secretary**  
**M.No. 27052**

**INTERWORLD DIGITAL LIMITED**  
**CIN:L72900DL1995PLC067808**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015**

(Amounts in Rs)

	Notes	As on 31st March, 2015	As on 31st March, 2014
<b>INCOME :</b>			
Revenue from operations	18	14,29,66,296	16,82,22,036
Other Income	19	7,16,004	14,37,082
<b>Total Revenue</b>		<b>14,36,82,300</b>	<b>16,96,59,118</b>
<b>EXPENSES :</b>			
Purchase of Stock-in-Trade & Services	20	11,42,79,060	13,49,56,850
Changes in inventories of Finished Goods, WIP & Stock	21	(25,34,205)	-
Employee Benefit Expenses	22	66,80,289	79,03,083
Financial Costs	23	13,29,672	9,52,554
Depreciation and Amortization Expense	24	1,49,44,227	1,35,51,331
Other Expenses	25	44,93,517	51,80,063
<b>Total Expenses</b>		<b>13,91,92,560</b>	<b>16,25,43,881</b>
Profit before exceptional & extraordinary items & tax		44,89,740	71,15,237
Exceptional Items		-	-
Profit before extraordinary items and tax		44,89,740	71,15,237
Extraordinary Items		29,49,646	-
Profit before tax		15,40,094	71,15,237
<b>Tax Expense:</b>			
(1) Current Tax		15,70,800	19,41,055
(2) Deferred tax		(11,74,795)	5,16,251
<b>Profit/(Loss) for the period</b>		<b>11,44,089</b>	<b>46,57,931</b>
Earning per equity share:			
(1) Basic		0.00	0.01
(2) Diluted		0.00	0.01
Notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

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

**Sd/-**  
**(Santosh Kumar)**  
**Partner**  
**M.No. 533944**  
**Place : New Delhi**  
**Date : 30.05.2015**

**Sd/-**  
**Man Mohan Gupta**  
**M. Director**  
**DIN : 00161861**

**Sd/-**  
**(Ajay Sharma)**  
**Director**  
**DIN : 03344008**  
**Sd/-**  
**(Narender Kumar Baid)**  
**Company Secretary**  
**M.No. 27052**

**INTERWORLD DIGITAL LIMITED**  
**CIN:L72900DL1995PLC067808**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015**

(Amounts in Rs)

Particulars	As on 31 March, 2015	As on 31 March, 2014
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit before tax and extraordinary items	44,89,740	71,15,237
Adjustments for:		
Interest income	(6,00,000)	-
Depreciation	1,38,74,711	1,27,24,799
Interest & Finance Charges	13,29,672	-
Preliminary & Share Issue expenses written off	10,69,516	8,26,532
<b>Operating cash flow before changes in working capital</b>	<b>2,01,63,639</b>	<b>2,06,66,568</b>
Cash Flow in Working Capital Activities:		
(Increase)/Decrease in Sundry Debtors	(9,94,41,707)	(1,34,64,127)
(Increase)/Decrease in Inventories	(25,34,205)	-
(Increase)/Decrease in Other Assets	38,32,988	(1,11,83,656)
Increase/(Decrease) in Current Liabilities	11,22,91,866	22,73,451
<b>Cash provided by / (used in) operating activities</b>	<b>3,43,12,581</b>	<b>(17,07,764)</b>
Less: Income Tax Paid	15,70,800	19,41,055
<b>Net cash from operating activities</b>	<b>3,27,41,781</b>	<b>(36,48,819)</b>
<b>B. Cash Flow From Investing Activities:</b>		
Sale/(Purchase) of fixed assets	13,44,689	(1,31,11,803)
(Increase)/Decrease in Capital work in progress	-	1,20,50,000
(Increase)/Decrease in investments	(1,47,28,500)	-
Interest received	6,00,000	-
<b>Net cash outflow in investing activities</b>	<b>(1,27,83,811)</b>	<b>(10,61,803)</b>
<b>C. Cash Flow From Financing Activities:</b>		
Increase in capital	-	-
Proceeds from Long Term Borrowings	-	-
Increase in Share Premium	-	-
Interest and Finance Charges	(13,29,672)	-
Repayment of Long Term Borrowings	(1,89,31,907)	36,84,963
Miscellaneous Expenditure	-	-
<b>Net cash inflow from financing activities</b>	<b>(2,02,61,579)</b>	<b>36,84,963</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year [(A) + (B) + (C)]</b>	<b>(3,03,609)</b>	<b>(10,25,659)</b>
<b>Cash and Cash Equivalents:</b>		
<b>Cash and Cash Equivalent as at 01.04.2014</b>	<b>15,19,935</b>	<b>25,45,593</b>
<b>Cash and Cash Equivalent as at 31.03.2015</b>	<b>12,16,326</b>	<b>15,19,935</b>

**Notes :**

- 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.

In terms of our report attached

For and on behalf of the Board of Directors

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

**Sd/-**  
**(Santosh Kumar)**  
**Partner**  
**M.No. 533944**  
**Place : New Delhi**  
**Date : 30.05.2015**

**Sd/-**  
**Man Mohan Gupta**  
**M. Director**  
**DIN : 00161861**

**Sd/-**  
**(Ajay Sharma)**  
**Director**  
**DIN : 03344008**  
**Sd/-**  
**(Narender Kumar Baid)**  
**Company Secretary**  
**M.No. 27052**

**INTERWORLD DIGITAL LIMITED**  
**CIN:L72900DL1995PLC067808**

**Notes on forming part of Financial Statements as at 31.03.2015**

(Amounts in Rs)

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>1</b>	<b>Share Capital</b>		
	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 47,83,77,000 ( 47,83,77,000) Equity Shares of Re. 1/- each fully paid up	47,83,77,000	47,83,77,000
	<b>Total</b>	<b>47,83,77,000</b>	<b>47,83,77,000</b>

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

Particulars	As on 31st March, 2015	As on 31st March, 2014
At the beginning of the period	47,38,00,000	47,38,00,000
Issued during the period	-	-
At the end of the period	47,38,00,000	47,38,00,000

- 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.
- 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.

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

Name of Shareholders	As on 31st March, 2015	As on 31st March, 2014
Govind Shivshankarlal Gupta	3,48,64,428(7.29%)	4,00,00,000(8.36%)
M M Commodities Private Limited	-	3,71,26,600(7.76%)
Peeyush Kumar Aggarwal	2,50,00,000(5.23%)	2,50,00,000(5.23%)

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>2</b>	<b>Reserves &amp; Surplus</b>		
	Security Premium Reserve :		
	Opening Balance :	73,88,64,820	73,88,64,820
	Add : additions During the year	-	-
	<b>Sub -Total</b>	<b>73,88,64,820</b>	<b>73,88,64,820</b>
	Shares Forfeiture Account	90,77,066	90,77,066
	Add : Additions During the year	-	-
	<b>Sub -Total</b>	<b>90,77,066</b>	<b>90,77,066</b>
	Opening Profit & Loss Account	3,76,79,866	3,30,21,934
	Add : Profit during the year	11,44,089	46,57,932
	Less: Assets Written off in respect of assets whose life expired as per Schedule II of New Companies Act, 2013	25,47,044	-
	<b>Sub -Total</b>	<b>3,62,76,911</b>	<b>3,76,79,866</b>
	<b>Total</b>	<b>78,42,18,797</b>	<b>78,56,21,752</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>3</b>	<b>Long Term Borrowings</b>		
	<b>Secured</b>		
	Bank of India (OD A/c)	-	47,95,856
	HDFC Bank Ltd. ( Hypothycation of Vehicle)	-	15,06,899
	Kotak Mahindra Prime Limited (Hypothycation of Vehicle)	14,51,659	37,03,811
	<b>Unsecured</b>		
	Loans from related parties (corporates)	9,83,000	13,60,000
	Loans from others	1,00,00,000	2,00,00,000
	<b>Total</b>	<b>1,24,34,659</b>	<b>3,13,66,566</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>4</b>	<b>Deferred Tax Liabilities</b>	1,27,85,285	1,39,60,080
	<b>Total</b>	<b>1,27,85,285</b>	<b>1,39,60,080</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>5</b>	<b>Trade Payables</b>	10,86,83,713	1,53,10,393
	<b>Total</b>	<b>10,86,83,713</b>	<b>1,53,10,393</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>6</b>	<b>Other Current Liabilities</b>		
	Security (Theatre & Video)	49,89,468	49,89,468
	Exp payable	425923	35,79,084
	Other Liabilities	-	1,24,46,422
	Other Advance	13,353	13,353
	Kotak Mahindra Prime Limited (Hypothycation of Vehicle)	13,27,200	-
	Advance from Customers	56,97,641	34,38,718
	<b>Total</b>	<b>1,24,53,585</b>	<b>2,44,67,045</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>7</b>	<b>Short-Term Provision</b>		
	Roc Fee	55,97,309	-
	Service Tax, Tds Payable	1,84,82,275	-
	Provision for taxation (A.Y. 2014-15)	19,41,055	19,41,055
	Provision for taxation (A.Y. 2015-16)	15,70,800	-
	<b>Total</b>	<b>2,75,91,439</b>	<b>19,41,055</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>8</b>	<b>Short Term Borrowings</b>		
	<b>Secured</b>		
	Bank of India (OD A/c)	52,81,622	-
	<b>Total</b>	<b>52,81,622</b>	<b>-</b>

## INTERWORLD DIGITAL LIMITED

Financial Year 2014-15

(Statement Showing Depreciation Forming Part of Financial Statement As On 31.03.2015 as per Companies Act,2013)

## Note - 9 FIXED ASSETS

(Amounts in Rs)

S. No.	Description	<-----GROSS BLOCK----->					<-----DEPRECIATION/AMORTISATION----->					<-----NET BLOCK----->	
		Cost as on 1.4.2014	Addition during the year	Sales/adjust during the year	Total Cost as on 31.03.2015	Up to 31.03.2014	For the year	T/f to Reserve	Deletion	Up to 31.03.2015	As on 31.03.2015	As on 31.03.2014	
A. Tangible													
1	Building	30,00,000	-	-	30,00,000	-	95,000	1,520,000	-	16,15,000	13,85,000	30,00,000	
2	Computers	2,40,97,091	40,800	-	2,41,37,891	2,38,18,388	1,03,402	15,647	-	2,39,37,437	2,00,454	2,78,703	
3	Furniture & Fixture	8,66,868	-	-	8,66,868	3,92,568	1,54,941	-	-	5,47,509	3,19,359	4,74,300	
4	Office Equipment	32,79,533	-	-	32,79,533	6,45,424	4,95,244	1,011,397	-	21,52,065	11,27,468	26,34,109	
5	Vehicles	1,23,27,434	-	7,381,987	49,45,447	40,21,654	10,74,587	-	2,932,339	21,63,902	27,81,545	83,05,780	
6	Machinery and Plant	41,75,747	114,511	-	42,90,258	9,87,570	3,13,282	-	-	13,00,852	29,89,406	31,88,177	
	Sub-Total (A)	4,77,46,673	155,311	7,381,987	4,05,19,997	2,98,65,604	22,36,457	2,547,044	2,932,339	3,17,16,766	88,03,232	1,78,81,069	
B. Intangible													
1	Softwares	11,46,96,133	13,015,000	-	12,77,11,133	6,36,82,646	1,16,08,255	-	-	7,52,90,901	5,24,20,232	5,10,13,487	
2	Copy Right	3,00,000	-	-	3,00,000	2,40,000	30,000	-	-	2,70,000	30,000	60,000	
	Sub-Total (B)	11,49,96,133	13,015,000	-	12,80,11,133	6,39,22,646	1,16,38,255	-	-	7,55,60,901	5,24,50,232	5,10,73,487	
	TOTAL (A+B)	16,27,42,806	13,170,311	7,381,987	16,85,31,130	9,37,88,250	1,38,74,711	2,547,044	2,932,339	10,72,77,667	6,12,53,464	6,89,54,556	
	Capital Work in Progress (including Advances on Capital Account)	5,58,64,310	-	1,30,15,000	4,28,49,310	-	-	-	-	-	4,28,49,310	5,58,64,310	
	Development Exp.	3,74,056	-	-	3,74,056	-	-	-	-	-	3,74,056	3,74,056	
	Computer Systems, Hardware and Networking (IT Park - Advances)	102,36,24,737	-	1,023,624,737	-	-	-	-	-	-	-	102,36,24,737	
	Sub-Total (C)	107,98,63,103	-	1,036,639,737	4,32,23,366	-	-	-	-	-	4,32,23,366	107,98,63,103	
	GRAND TOTAL (A+B+C)	124,26,05,909	13,170,311	1,044,021,724	21,17,54,496	9,37,88,250	1,38,74,711	2,547,044	2,932,339	10,72,77,667	10,44,76,830	114,88,17,659	
	Previous Year	124,15,44,106	1,31,11,803	1,20,50,000	124,26,05,909	8,10,63,453	1,27,24,799	-	-	9,37,88,252	114,88,17,657		

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>10</b>	<b>Other non-current Investment</b>		
	Trine Entertainment Limited (1472850 equity shares of Rs.10/- each fully paid up)	1,47,28,500	-
	<b>Total</b>	<b>14,728,500</b>	<b>-</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>11</b>	<b>Other non-current assets</b>		
	Security Deposit	-	35,00,000
	<b>Total</b>	<b>-</b>	<b>35,00,000</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>12</b>	<b>Long-term loans and advances</b>		
	(Advance recoverable in cash or in kind or for value to be received)	105,36,63,887	-
	TDS/ Advance Tax/ Self Assessment tax	1,17,73,726	-
	<b>Total</b>	<b>106,54,37,613</b>	<b>-</b>

**Notes:**

Due to change in business plan and consequential ammendment in terms, Capital Advances amounting to Rs. 102 Crore has been taken as long term advances.

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>13</b>	<b>Inventories</b>		
	Finished goods (Valued at Cost or NRV whichever is lower)	6,560,592	40,26,387
	<b>Total</b>	<b>6,560,592</b>	<b>40,26,387</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>14</b>	<b>Trade receivables</b>		
	(Unsecured, Considered Good)		
	Outstanding for more than six months	14,33,02,438	6,54,17,770
	Others	9,66,12,519	7,50,55,480
	<b>Total</b>	<b>23,99,14,957</b>	<b>14,04,73,250</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>15</b>	<b>Cash &amp; Cash Equivalent</b>		
	Cash on Hand	9,51,826	6,48,247
	Balance with Banks	2,64,897	8,71,688
	<b>Total</b>	<b>12,16,723</b>	<b>15,19,935</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>16</b>	<b>Short-term loans and advances</b>		
	(unsecured, considered good )		
	(Advance recoverable in cash or in kind or for value to be received)	21,48,377	4,20,20,715
	TDS/ Advance Tax/ Self Assessment tax	-	80,17,796
	Prepaid Expenses	60,232	1,34,382
	Advance to suppliers	28,93,576	3,11,192
	VAT Receivable	16,35,543	16,35,543
	<b>Total</b>	<b>67,37,728</b>	<b>5,21,19,628</b>



Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
17	<b>Other current assets</b>		
	(i) Advance to vat department	7,83,400	-
	(ii) recovable to Kotal Mahindra Prime Ltd.	40,225	-
		<b>8,23,625</b>	-
	(iii) Miscellaneous Expenditure to the extent not written off		
	Opening Balance	5,87,034	14,13,566
	Add: Addition during the year	24,12,411	-
		29,99,445	14,13,566
	Less: Written off during the year	10,69,516	8,26,532
	<b>Total</b>	<b>19,29,929</b>	<b>5,87,034</b>
		<b>27,53,554</b>	<b>5,87,034</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
18	<b>Revenue from operations</b>		
	Sales & Services Charges	14,29,66,296	16,82,22,036
	<b>Total</b>	<b>14,29,66,296</b>	<b>16,82,22,036</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
19	<b>Other Income</b>		
	Interest on Loans	6,00,000	14,15,000
	Miscellaneous Income	1,16,004	22,082
	<b>Total</b>	<b>7,16,004</b>	<b>14,37,082</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
20	<b>Purchase of Stock-in-Trade</b>		
	Goods & Services	11,42,79,060	13,49,56,850
	<b>Total</b>	<b>11,42,79,060</b>	<b>13,49,56,850</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
21	<b>Changes in inventories</b>		
	Opening Stock	40,26,387	40,26,387
	Closing Stock	65,60,592	40,26,387
	<b>Total</b>	<b>-2,534,205</b>	-

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
22	<b>Employee Benefit Expenses</b>		
	Salaries and other allowances	54,03,340	47,82,551
	Director's Remuneration	12,00,000	30,00,000
	Staff Welfare Expenses	76,949	1,20,532
	<b>Total</b>	<b>66,80,289</b>	<b>79,03,083</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>23</b>	<b>Financial Cost</b>		
	Bank Charges	1,24,279	36,673
	Interest	12,05,393	9,15,881
	<b>Total</b>	<b>13,29,672</b>	<b>9,52,554</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>24</b>	<b>Depreciation and Amortization Expense</b>		
	Depreciation	1,38,74,711	1,27,24,799
	Share Issue Expenses written off	10,69,516	8,26,532
	<b>Total</b>	<b>1,49,44,227</b>	<b>1,35,51,331</b>

Note No.	Particulars	As on 31st March, 2015	As on 31st March, 2014
<b>25</b>	<b>Other Administrative Expenses</b>		
	Advertisement Expenses	53,739	2,38,678
	AGM / EGM Expenses	65,488	73,450
	Auditors' Remuneration	76,967	68,500
	Business Promotion Expenses	3,34,148	1,80,616
	Conveyance Expenses	1,23,849	39,423
	Commission Expenses	1,00,615	2,67,062
	Fees & Subscription	3,07,138	1,77,642
	Insurance Expenses	1,78,343	1,71,777
	Internet & Communication Expenses	-	1,67,634
	Legal & Professional Charges	3,99,154	1,03,623
	Miscellaneous Expenses	49,188	52,055
	Office Expenses	1,96,759	1,03,188
	Postage & Courier Expenses	2,00,254	3,68,465
	Printing & Stationery	74,168	1,33,851
	Rebate and Discount	-	473
	Repairs & Maintenance Expenses	2,52,654	4,73,780
	Telephone Expenses	4,58,313	4,38,521
	Travelling Expenses	10,72,450	13,67,430
	Vehicle Running & Maintenance Expenses	2,97,553	5,55,272
	Water & Electricity Expenses	2,52,737	1,98,623
	<b>Total</b>	<b>44,93,517</b>	<b>51,80,063</b>

For and on behalf of the Board of Directors

Sd/-  
**Man Mohan Gupta**  
M. Director  
DIN : 00161861

Sd/-  
**(Ajay Sharma)**  
Director  
DIN : 03344008  
Sd/-  
**(Narender Kumar Baid)**  
Company Secretary  
M.No. 27052

# INTERWORLD DIGITAL LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 26. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Nature of Operation

The company is engaged in IT enabled services, Digital Cinema services and other trading activities.

#### (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 has been provided on the written down value method as prescribed in Schedule II of the Companies Act, 2013.

#### (vi) 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.

#### (vii) 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.

#### (viii) 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.

#### (ix) 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.

#### (x) 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.

#### (xi) 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 five years.

• **Contingent Liabilities**

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

27. 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.

28. Deferred Tax Assets & Deferred Tax Liabilities:

Amount in Rs.			
Particulars	Deferred Tax Liability as at 01.04.2014	Current Year Charge	Deferred Tax Liability as at 31.03.2015
On account of difference Between W.D.V as on 31.03.2015 As per Income tax & Companies Act	1,39,60,080	11,74,795	1,27,85,285
<b>Total</b>	<b>1,39,60,080</b>	<b>11,74,795</b>	<b>1,27,85,285</b>

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

29. 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.
30. Allocation of Development expenses is pending to fixed assets.
31. Contingent Liabilities not provided for Bank Guarantees.
32. The company had not paid service tax and filed returns from financial year 2011-12 to 2014-15.
33. The company had not appointed chief financial officer in the company.
34. 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.
35. The company has only one reportable segment.

**36. Related Party Disclosures:**

Related party disclosures as required under Accounting Standard (AS) – 18 "Relate Party Disclosure"

- A. Related parties and nature of related party relationships where control exists

Name of the party	Description of relationship
Mr. Man Mohan Gupta	Key Management Personal
Mr. Kamal Kishore Sharma	Key Management Personal
Mr. Ajay Sharma	Key Management Personal
Mrs. Anita Devi	Key Management Personal
Mr. Narender Kumar Baid	Key Management Personal
M/s Digicine Manoranjan Pvt. Ltd.	Group Company

- B. Related parties and nature of related party relationship with whom transactions have been taken place

Name of the party	Description of relationship
Mr. Man Mohan Gupta	Key Management Personnel
Mr. Narender Kumar Baid	Key Management Personal
M/s Digicine Manoranjan Pvt .Ltd.	Group Company

**Transactions during the year with related parties:**

Mr. Man Mohan Gupta	Remuneration	12,00,000
Mr. Narender Kumar Baid	Salary	10,000
M/s Digicine Manoranjan Pvt .Ltd.	Reimbursement Exp.	1,77,85,400

37. Previous year figures have been regrouped / rearranged / reconsidered, wherever considered necessary.
38. As per information available with the company, there are no outstanding dues to Small Scale Ancillary Industrial Undertakings as at 31.03.2015.
39. The Company has not appointed Chief Financial Office (CFO) as per the requirement of section 203 of the Companies Act, 2013.

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

**For and on behalf of the Board of Directors**

Sd/-  
(Santosh Kumar)  
Partner  
M.No. 533944  
Place : New Delhi  
Date : 30.05.2015

Sd/-  
Man Mohan Gupta  
M. Director  
DIN : 00161861

Sd/-  
(Ajay Sharma)  
Director  
DIN : 03344008  
Sd/-  
(Narender Kumar Baid)  
Company Secretary  
M.No. 27052

**Interworld Digital Limited |20<sup>th</sup> Annual General Meeting**

**INTERWORLD DIGITAL LIMITED**

**CIN: L72900DL1995PLC067808**

Regd. Office.:701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110 001

Phone: 011-43571044-45, Fax : 011-43571047

Email : [info@interworld.co.in](mailto:info@interworld.co.in), Website : [www.interworld.co.in](http://www.interworld.co.in)

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting venue)

Name of the Member(s) / Proxy\*: .....  
(\*Strike off whichever is not applicable)

Registered address:.....

E-mail Id: ..... Folio No. /DP ID & Client ID:.....

I/We, being the member (s) of ..... shares of the above named company, hereby record my/our presence at the 20th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 9.30 a.m. at 701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110 001 and at any adjournment thereof.

Signature of the Member/Proxy\*: .....  
(\*strike out whichever is not applicable)

**NOTES:**

- 1) Members/Proxies are requested to bring the duly signed attendance slip to the meeting and hand it over at the entrance.
- 2) Corporate members intending to send their authorized representatives to attend the meeting are requested to send, to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3) For the convenience of Members, persons other than Members/Proxies will not be admitted.

**INTERWORLD DIGITAL LIMITED**

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**Form No. MGT 11**

**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s): .....

Registered address: .....

E-mail Id: ..... Folio No. /DP ID & Client ID: .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....or failing him/her

2. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....or failing him/her

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 9.30 a.m. at 701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Res. No.	Description	For	Against
1.	Adoption of Financial Statements, Board and Auditors' Report.		
2.	Re-appointment of Statutory Auditors.		
3.	Appointment of Mr. Soban Singh Aswal (DIN:00349919) as an Independent Director.		

Signed this ..... day of ..... 2015. Signature of Shareholder:.....

**Affix  
Revenue  
Stamp**

**NOTES:**

- 1) Please put a 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 3) This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**INTERWORLD DIGITAL LIMITED**

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**E-COMMUNICATION REGISTRATION FORM**

Dear Shareholders,

You are aware that majority of the provisions of Companies Act, 2013 have been made effective from 1st April, 2014. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports, Notices and other communications through electronic mode to those shareholders who have registered their email address either with the Company/RTA or with the Depository.

It is a welcome move that would benefit the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This provides a golden opportunity to every shareholder of Interworld Digital Limited to contribute to the cause of 'Green Initiative' by giving their consent to receive various communications from the Company through electronic mode.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company [www.interworld.co.in](http://www.interworld.co.in).

[Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.]

**Best Regards,**

**Sd/-**

**Man Mohan Gupta**  
**(Managing Director)**

**E-COMMUNICATION REGISTRATION FORM**

Folio No. /DP ID & Client ID:.....

Name of the 1 Registered Holder:.....

Name of the Joint Holder[s]: (1).....(2).....

**Registered Address:**

.....  
.....

E-mail ID (to be registered): .....

Mob./Tel. No.:.....

I/We shareholder(s) of Interworld Digital Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

Date: ..... Signature: .....

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.





**Interworld Digital Limited |20<sup>th</sup> Annual General Meeting**



**WHERE  
TECHNOLOGY  
REDEFINES  
ENTERTAINMENT  
& E-COMMERCE**



If undelivered, please return to:

**Interworld Digital Ltd.**

Registered Office:

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Barakhamba Road, New Delhi - 110 001

Telephone : +91.11.43571045

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