

# 21<sup>ST</sup> ANNUAL REPORT

## 2015-2016



## INTERWORLD DIGITAL LIMITED

CIN : L72900DL1995PLC067808

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

Tel.: 91-11-43571045

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

## Corporate Information

### BOARD OF DIRECTORS

**Mr. Peeyush Kumar Aggarwal**

Director  
(DIN 00090423)

**Mr. Man Mohan Gupta**

Director  
(DIN 00161861)  
(Ceased to be Managing Director w.e.f. 23/07/2016)

**Mr. Ajay Sharma**

Independent Director  
(DIN 03344008)

**Mr. Soban Singh Aswal**

Independent Director  
(DIN 00349919)

**Ms. Madhu Sharma**

Independent Director  
(DIN 06947852)

### COMPLIANCE OFFICER & COMPANY SECRETARY

Ms. Shweta Chawla  
(Appointed w.e.f. 23/07/2016)

Mr. Narender Kumar Baid  
(Resigned w.e.f. 13/02/2016)

### CHIEF FINANCE OFFICER (CFO)

Mr. Rachit Garg

### 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), [Interworlddigital@gmail.com](mailto:Interworlddigital@gmail.com)

### 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.  
Ph. No.:011-64732681-88  
Fax No.: 011- 26812682  
Contact Person Details: Mr. Atul/Anil  
Email Id: [admin@skylinerta.com](mailto:admin@skylinerta.com)

**Notice**

**NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE MEMBERS OF INTERWORLD DIGITAL LIMITED WILL BE HELD ON FRIDAY, THE 30TH DAY OF SEPTEMBER, 2016, 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, 2016 and the Statement of Profit and Loss of the Company and Cash Flow Statement and other Annexures thereof for the financial year ended 31st March, 2016 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 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, to hold office for a term of five years, i.e. , from the conclusion of 19<sup>th</sup> Annual General Meeting until the conclusion of 24<sup>th</sup> Annual General Meeting of the Company, be and is hereby ratified and confirmed from the conclusion of 21<sup>st</sup> AGM of the Company till the conclusion of 22<sup>nd</sup> 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, Ms. Madhu Sharma (DIN 06947852), who was appointed as an Additional Woman Director of the Company in terms of Section 161(1) of the Companies Act, 2013 with effect from 01<sup>st</sup> October, 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 her 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 her appointment.”

4. 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, 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), Mr Peeyush Kumar Aggarwal (DIN 00090423), who was appointed as an Additional Director of the Company in terms of Section 161(1) of the Companies Act, 2013 with effect from 18<sup>th</sup> November, 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 a Director of the Company to hold office as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

**For and on behalf of the Board  
of Interworld Digital Limited**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN 00090423**

**Place : New Delhi  
Date : 03.09.2016**

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### 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 Saturday, 24th September, 2016 to Friday, 30th September, 2016 (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 e-voting facility to the members to exercise their right to vote by

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electronic means. The Company has fixed 23<sup>rd</sup> September, 2016 as a cut – off date to record the entitlement of the shareholders to cast their vote electronically at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently, the same cut off date, i.e., 23<sup>rd</sup> September, 2016 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 21<sup>st</sup> AGM on 30th September, 2016.

The e-voting period will commence at 09.00 A.M. on 27<sup>th</sup> September, 2016 and will end at 05.00 P.M. on 29th September, 2016. The Company has appointed Mr. Kundan Agrawal (Membership No. FCS –7631 & CP No. 8325), 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 CDSL 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 Central Depository Services (India) Limited (CDSL).

The Company has approached CDSL 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 [www.evotingindia.com](http://www.evotingindia.com).

### **The e-voting period commences on September 27, 2016 (09:00 A.M.) and ends on September 29, 2016 (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. E-voting shall not be allowed beyond the said date and time. A member may participate in the general meeting even after exercising his right to vote through e – voting but shall not be allowed to vote again in the annual general meeting.

The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut off date, i.e., Friday, September 23, 2016.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 27.09.2016 at 09.00 A.M. and ends on Thursday, 29.09.2016 at 05.00 P.M. 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 Friday, 23.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the INTERWORLD DIGITAL LIMITED on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

For and on behalf of the Board of  
Interworld Digital Limited

Place: New Delhi  
Date: 03.09.2016

Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN 00090423

### 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 30/09/2015 had appointed Ms. Madhu Sharma as an Additional Director of the Company w.e.f. 01/10/2015 as per Section 161 of the Companies Act, 2013 and Rules made thereunder and as such she holds office upto the date of this Annual General Meeting.

The Company had pursuant to the provisions of Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchanges, appointed Ms. Madhu Sharma as an Independent Director.

Pursuant to the provisions of Section 149 & 150 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 and have one woman Director.

The Board has recommended the appointment of Ms. Madhu Sharma as an Independent Director for a term of five years from the date of her appointment.

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

Ms. Madhu Sharma has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, Ms. Madhu Sharma fulfils the conditions specified in the Act and the Rules framed thereunder for her appointment as an Independent Director and she is Independent of the management. Copies of the draft letter for appointment of Ms. Madhu Sharma 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. Ms. Madhu Sharma has given her consent to act as an Independent Director of the Company and has confirmed that she is not disqualified to act as a Director.

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

A brief profile of Ms. Madhu Sharma is given below.

Ms. Madhu Sharma, aged 57 years, is a Bachelor of Arts from prestigious University. She has extensive experience of almost 22 Years in various aspects of management, viz., the field of marketing and general administration.

At present, Ms. Madhu Sharma is a Director in the following companies:

SI. No.	Directorships in other Public Companies	Committee Details	Membership/Chairmanship
1	Advik Laboratories Limited	Nil	Nil
2	B. P. Capital Limited	Nil	Nil
3	MPS Infotecnics Limited	Nil	Nil
4	Polar Marmo Agglomerates Limited	Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee Risk Management Committee	Chairman Chairman Chairman Member
5	RCC Cements Limited	Nomination & Remuneration Committee	Member

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Ms. Madhu Sharma does not hold by herself or for any other person on a beneficiary basis, any shares in the Company as per declaration given by her.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Madhu Sharma as an Independent Director of the Company.

Except Ms. Madhu Sharma, 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.

### Item No. 4

The Board of Directors of the Company at its meeting held on 18/11/2015 had appointed Mr. Peeyush Kumar Aggarwal as an Additional Director of the Company 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 Board has recommended the appointment of Mr. Peeyush Kumar Aggarwal as a Director of the Company whose term of office is liable to retire by rotation. The Company has received a notice 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. Peeyush Kumar Aggarwal has also given his consent to act as a Director of the Company and has confirmed that he is not disqualified to act as a Director. In the opinion of the Board, Mr. Peeyush Kumar Aggarwal fulfils the conditions specified in the Act and the Rules framed there under for his appointment as Non Executive Director of the Company liable to retire by rotation.

In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Peeyush Kumar Aggarwal as a Director of the company liable to retire by rotation is now being placed before the members for their approval.

A brief profile of Mr. Peeyush Kumar Aggarwal is given below:

Mr. Peeyush Kumar Aggarwal, is a fellow Member of the Institute of Chartered Accountants of India. He has rich experience of over 30 years. A first generation Entrepreneur having a clear business vision and practicing a hands- off approach. He has mastered the art of Mergers & Acquisitions. His business interests today are in the areas of Information Technology; Telecom VAS; Digital Cinema ; Retail ; Broking (Shares, Commodities, Insurance) ; Real Estate ; Construction & Hospitality. In addition, he has had an extensive experience in strategic and feasibility consulting, preparing business plans, conducting due diligence, reviews and business valuation. He has had significant expertise in assisting Indian Companies in financial and management audits. He also has rich and vast experience in the field of Corporate Laws, Finance and Taxation, Project Management etc. He is an emerging Venture Capitalist who has helped several young entrepreneurs in establishing and growing their dream businesses

Details of his other Directorships and Committee Memberships are as follows:

Sl. No.	Directorships in other Public Companies	Committee Details	Membership/Chairmanship
1	Advik Laboratories Limited	Risk Management Committee	Member
2	B. P. Capital Limited	Audit Committee Nomination & Remuneration Committee Stakeholder's Relationship Committee	Member Member Chairman
3.	MPS Infotecncs Limited	Audit Committee Nomination and Remuneration Committee Stakeholder's Relationship Committee Risk Management Committee Corporate Social Responsibility	Member Member Chairman Member Chairman
4.	NECC Logistics Limited	Audit Committee Shareholder / Investor grievance & Share Transfer Committee Risk Management Committee	Chairman  Member Member
5	Onus Plantations and Agro Limited	Nil	Nil
6	Omkam Developers Limited	Nil	Nil



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Mr. Peeyush Kumar Aggarwal is also a promoter shareholder of the Company and has, therefore, an interest, directly or indirectly, in the capital of the Company to the extent of his shareholding in the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Peeyush Kumar Aggarwal as a Director of the Company.

Except Mr. Peeyush Kumar Aggarwal, 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. 4. The Board of Directors recommends the resolution for approval by the members.

**For and on behalf of the Board of  
Interworld Digital Limited**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN 00090423**

**Place: New Delhi  
Date: 03.09.2016**

## Director's Report

To,  
The Members,

I am privileged to present, on behalf of the Board of Directors, 21<sup>st</sup> Annual Report on the business and operations of your Company for the Financial Year ended on 31<sup>st</sup> March, 2016 together with Audited Statement of Accounts, Auditor's Report for the period ended on 31st March 2016.

### 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:

Particulars	(Rs. In Lacs)	
	Current Year 2015-16	Previous Year 2014-15
Income from Operations	673.95	1429.66
Other Income	-	7.16
Total Income	6.74	1436.82
Total Expenditure	614.23	1230.43
Profit before Depreciation, Interest & Tax (PBDIT)	59.72	206.39
Interest	11.10	12.05
Depreciation	127.42	149.44
Profit before tax	(78.80)	44.90
Provision for taxation	-	15.71
Deferred Tax	(12.59)	(11.75)
Profit after tax (PAT)	(66.21)	11.44
Profit brought forward from previous year	362.77	376.80
Balance carried to Balance Sheet	296.56	362.77
Paid-up equity share capital	4783.77	4783.77
Reserves & Surplus	7775.98	7842.19

### 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 673.95 Lacs in as compared to Rs 1436.82 Lacs in the previous financial year. The operating loss for the year ended March 31, 2016 is Rs. 78.80 Lacs as compared profit to Rs. 15.40 Lacs in the preceding financial year. The Loss after tax in 2015-16 is Rs.66.21 Lacs and was Profit Rs.11.44 Lacs in 2014-15.

### 3. Dividend

Keeping in view the insufficiency of profits, the Board of Directors do not recommend any dividend for the year ended March 31, 2016.

#### 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. 6.74 Lacs as against Rs. 1436.82 Lacs in the previous year. The company earned a net loss (before tax ) of Rs. 78.80 Lacs as against a net profit (before tax ) of Rs. 15.40 Lacs during the previous year. Your Directors are putting in their best efforts to improve the profitability of the Company.

##### B. Future Prospects

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitalization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

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. 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.

Considering the increasing growth of Indian Media and Entertainment (M&E) industry ,your Directors are optimistic that current year will fetch better returns for the Company.

#### 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.

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### 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 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> 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 19<sup>th</sup> AGM till the conclusion of the 24<sup>th</sup> 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.

The Company has received a certificate from the Auditors confirming that they are eligible for appointment as Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

Based on the recommendations of the Audit Committee and as per the provisions of Section 139(1) of the Companies Act, 2013, the Board of Directors of your Company proposes to ratify the appointment of M/s RMA & Associates, Chartered Accountants, as the Statutory Auditors of the Company for F.Y. 2016-17.

### 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.

The Company had filed a writ petition before the Hon'ble Delhi High Court challenging the applicability of provisions prescribed under para 3 of Table B under Registration of Offices and Fees Rules, 2014 vide dairy no. 159963 dated 30/05/2016. The matter is presently pending before the Hon'ble Delhi High Court. Hence the Company has no additional explanation to offer.

**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:

Particulars	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, Mr. Peeyush Kumar Aggarwal was appointed as an Additional Director in the category of Non-Executive Director of the Company and Ms. Madhu Sharma was appointed as an Additional Director in the category of Non-Executive Independent Woman Director of the Company in terms of relevant provisions of the Companies Act, 2013 to hold office till the conclusion of this Annual General Meeting.

Appropriate resolutions seeking your approval for the appointment of Mr. Peeyush Kumar Aggarwal as a Non executive Director liable to retire by rotation and Ms. Madhu Sharma as a Non executive Independent Woman Director of the Company for five consecutive years forms part of the notice calling AGM.

Further, during the year under review, Mr. Rachit Garg was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. 22/03/2016 as per the provisions of Section 203 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Board of Directors has appointed Ms. Shweta Chawla as the Company Secretary cum Compliance Officer of the Company w.e.f 23<sup>rd</sup> July, 2016 as per the provisions of Section 203 of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

## Cessation

During the year under review, Ms. Anita Devi resigned from the Directorship of the Company w.e.f. 30<sup>th</sup> May, 2015 due to some personal reasons

Mr. Narender Kumar Baid, Company Secretary of the Company has tendered his resignation w.e.f. 13<sup>th</sup> February, 2016.

## Change in designation

During the year under review, Mr. Man Mohan Gupta, Managing Director of the Company has tendered his resignation from the post of Managing Director of the Company vide his resignation letter dated 31<sup>st</sup> October, 2015. However, the Board of Directors in its meeting held on 23/07/2016 has accepted the resignation of Mr. Man Mohan Gupta w.e.f. 23/07/2016 from the office of Managing Director of the Company.

Even though the Board has accepted the resignation of Mr. Man Mohan Gupta from the office of Managing Director of the Company, but he would continue as the Director of the Company.

## B. Appointment of Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, your Company has requisite number of Independent Directors on its Board. Your Company has duly complied with the requirements of the said provisions for appointment of Independent Directors during the year under review.

## C. 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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that they meet with the criteria of independence as prescribed under the aforesaid Section and Regulation.

## D. Formal Annual Evaluation

In compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. Structured questionnaires were used in the overall Board evaluation comprising various aspects of Board function.

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

Nine meetings of the Board of Directors were held during the year on 14.05.2015, 30.05.2015, 13.08.2015, 03.09.2015, 30.09.2015, 10.11.2015, 18.11.2015, 13.02.2016 and 22.03.2016.

One separate meeting of Independent Directors of the Company were held on 22.03.2016.

## 21. Committees of the Board

During the year under, in accordance with the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement and the applicable SEBI Listing Regulations, 2015, the Board reconstituted some of its Committees. The Committees are as follows:

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

### Recommendation of Audit Committee

During the year under review, there were no instances of non-acceptance of any recommendation of the Audit Committee by the Board of Directors.

## 22. Board Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Structured questionnaires were used in the overall Board evaluation comprising various aspects of Board function.

The performance of the Board was evaluated by the Board on the basis of Performance Evaluation Policy formulated by the Board and 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. and on such further criteria as is set out in the Performance Evaluation Policy (**as per Annexure 2**) formulated by the Nomination and Remuneration Committee and approved by the Board to evaluate the performance of the Board and its Committees.

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 held on 22.03.2016, 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 directors 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.

Based on the outcome of performance evaluation for the financial year 2015-16, further measures/actions have been suggested to improve and strengthen the effectiveness of the Board and its Committees.

## 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, 2016, the Board consisted of 5 members and only 1 is an Executive Director\*, 3 are Independent Directors including 1 Woman Director and 1 is a Non Executive 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 – 3** to the Board Report. Further, the remuneration paid to the Directors, if any, is as per the terms laid out in the nomination and remuneration policy of the Company.

\* During the year under review, Mr. Man Mohan Gupta, Managing Director of the Company has tendered his resignation from the post of Managing Director of the Company vide his resignation letter dated 31<sup>st</sup> October, 2015. However, the Board of Directors in its meeting held on 23/07/2016 has accepted the resignation of Mr. Man Mohan Gupta w.e.f. 23/07/2016.

Even though the Board has accepted the resignation of Mr. Man Mohan Gupta from the office of Managing Director of the Company, but he would continue as the Director 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 link [http://interworld.co.in/investor\\_relations/policy.php](http://interworld.co.in/investor_relations/policy.php).

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

Particulars and details of loans given, investments made or guarantees given and securities provided, if any, are given in the Notes to the Financial Statements.

### 27. Contracts and arrangements with related parties

During the year under review, no contracts have been entered into by the company with related parties. which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company’s website at the [http://interworld.co.in/investor\\_relations/policy.php](http://interworld.co.in/investor_relations/policy.php).

However, as a matter of Company’s policy, all contracts/arrangements/transactions, if any, which will be entered by the company with related parties would be in the ordinary course of business and on an arm’s length basis and details and prescribed particulars of all such transactions (if any), will be 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. 2015-16. The report of the Secretarial Audit in Form No. MR -3 is annexed to and forms part of this Report as per **Annexure – 4**

#### 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.

The Company had filed a writ petition before the Hon’ble Delhi High Court challenging the applicability of provisions prescribed under para 3 of Table B under Registration of Offices and Fees Rules, 2014 vide dairy no. 159963 dated 30/05/2016. The matter is presently pending before the Hon’ble Delhi High Court. Hence the Company has no additional explanation to offer.

### 29. Corporate Governance

Your Company has been benchmarking itself with well established Corporate Governance practices besides strictly complying with the requirements of Regulation 17 to 27 and any other applicable Regulation of the SEBI under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

A separate “Report on Corporate Governance” together with requisite certificate obtained from Statutory Auditors of the Company, confirming compliance with the provisions of Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report.



**30. Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and belief confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards had 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 i.e. on 31<sup>st</sup> March, 2016 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 – 5**.

During the year under review, none of the Directors of the Company have received remuneration from the Company.

The Nomination and Remuneration Committee of the Company has affirmed in its meeting held on March 22, 2016 has affirmed that the remuneration paid to the Senior Management Employee/KMPs is as per the remuneration policy of the Company.

**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 2015-16.

**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. Management Discussion and Analysis**

The Management Discussion and Analysis Report on the business of the Company and performance review for the year ended March 31, 2016, as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate report which forms part of the Report.

**37. Acknowledgements**

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  
of Interworld Digital limited**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN 00090423**

**Place : New Delhi  
Date : 03<sup>rd</sup> September, 2016**

## Management Discussion & Analysis Report

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitalization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

#### Market Dynamics

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 13.9 per cent year-on-year to reach Rs 196,400 crore (US\$ 29.11 billion) by 2019.

India's Digital Advertising market has grown at a fast pace of 33 per cent annually between 2010 and 2015, while the spend as a percentage of total advertising increased to 13 per cent or nearly US\$ 1 billion in 2015.

In 2015-16, the overall Media and Entertainment industry grew 11.7 per cent over 2014. The largest segment, India's television industry, is expected to maintain its strong growth momentum led by subscription revenues, representing a year-on-year growth of about 13.2 per cent to reach Rs 60,000 crore (US\$ 8.89 billion) in 2015-16.

Significantly, with the increased penetration of smart phones and expansion of 3G/4G network in India, the country is likely to see around nine billion mobile application (apps) downloads during 2015, which is five times more than 1.56 billion in 2012. This uptick in app-downloads is also expected to increase the revenue from paid apps to an estimated over US\$ 241.16 million as against US\$ 144.7 million in 2014.

The Foreign Direct Investment (FDI) inflows in the Information and Broadcasting (I&B) sector (including Print Media) in the period April 2000 – March 2016 stood at US\$ 4.98 billion, as per data released by Department of Industrial Policy and Promotion (DIPP).

The year 2015 was the tipping point for the media and entertainment (M&E) industry in India. The development of payment technologies, increased penetration of mobile phones, growth of video and audio streaming platforms and the much anticipated wide rollout of 4G services began last year and promised to gather pace in 2016.

The effects of these changes are reflecting in the FICCI-KPMG Media and Entertainment industry report 2016 which was released on Wednesday at 17th edition of FICCI FRAMES on the theme 'Change or Perish – The Year of Digital

The report states that the M&E industry in India is expected to grow at a compound annual growth rate (CAGR) of 14.3 percent to Rs 2,260 billion by 2020 from Rs 1,158 billion in 2015. This growth will be led by advertising revenue which is expected to grow to Rs 994 billion (from Rs 475 billion in 2015) at a CAGR of 15.9 percent.

After a subdued 2014-15, the film industry bounced back to a healthy growth of 9.3 percent in 2015. However, Bollywood is constrained by the slow pace of screen growth and has also been facing increased competition from Hollywood and regional content.

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.

## Recent development/Investments

- Vice Media LLC, a US-based digital media and broadcasting company, has entered into a Joint Venture (JV) agreement with the Times Group to open a new bureau and production hub in Mumbai, and launch digital, television, mobile and branded content in India.
- Cinepolis, a Mexico-based multiplex chain, plans to add 160 more screens by investing around Rs 400 crore (US\$ 59.29 million) in India in the next two years, thereby taking its total count to 400 screens in the country.
- Dalian Wanda Group Co Ltd, world's largest cinema chain operator, has initiated talks with leading multiplex owners in India such as PVR Ltd and Carnival Cinemas Ltd, to acquire assets and enter the Indian market.
- US based investment firm Tiger Global Management LLC has acquired a 25 per cent stake in 'The Viral Fever' (TVF), an online video content creator, for US\$ 10 million.
- Balaji Telefilms Limited (Balaji Telefilms) has raised Rs 150.08 crore (US\$ 22.25 million) through *allotment* of equity shares on *preferential* basis to catapult the launch and growth of ALT Digital Media, a Business-to-Consumer (B2C) digital content business segment of Balaji Group.
- Global video-streaming service Netflix has entered India as high-speed Internet connectivity is becoming rapidly available to Indians and nearly one-fifth of India's 1.3 billion population is now online.
- Reliance Entertainment (owned by Mr Anil Ambani) and DreamWorks (led by Mr Steven Spielberg), along with Participant Media (led by Mr Jeff Skoll) and Entertainment One (eOne) have formed a new film, television and digital content creation company called 'Amblin Partners', and have raised US\$ 500 million in debt to develop and produce films.
- ScoopWhoop, an Indian digital media and content start-up, has raised US\$ 4 million from Kalaari Capital and plans to use the funds for expansion of its video production unit called ScoopWhoop Talkies.
- Mobvista International Technology Ltd, a global mobile advertising and game publishing company, plans to increase its investment in India by US\$ 100 million over 2015-18, with a view to capture a bigger share of the booming e-commerce and ad-tech space.
- The digital arm of New Delhi Television Limited (NDTV) namely NDTV Convergence, that owns and operates the NDTV group's digital properties, has signed a deal worth US\$ 13-15 million with content discovery platform Taboola.
- Cinepolis India Private Limited, the Indian movie exhibition arm of Mexican chain Cinepolis, has plans to add 60 screens to take its total count to over 250 screens by the end of 2015.
- Turner International India has announced the expansion of its television bouquet for children with the launch of Toonami, a channel dedicated to animated action. This is the American company's third children's channel in India after Cartoon Network and POGO. Toonami joins an assortment of over 15 channels in the kids' genre, which attracts close to Rs 500 crore (US\$ 73.36 million) in advertising.
- San Francisco-based Twitter Inc. plans to set up a Research and Design (R&D) centre in Bengaluru to grow faster in emerging markets. This will be Twitter's first such facility outside the US.
- STAR India, a unit of 21st Century Fox, acquired the entire broadcast business of MAA Television Network Limited for an undisclosed amount.
- Carnival Films Private Limited acquired Stargaze Entertainment Private Limited, a multiplex company, from a unit of Mukesh Ambani-controlled Network18 Media and Investments Limited.

## SWOT ANALYSIS OF MEDIA AND ENTERTAINMENT INDUSTRY

### STRENGTHS:

1. Media And Entertainment is one of the most booming sectors in India due to its vast customer reach. The various segments of the Media And Entertainment industry like television and film industry have a large customer base.
2. The growing middle class with higher disposable income has become the strength of the Media And Entertainment industry.
3. Change in the lifestyle and spending patterns of the Indian masses on entertainment.
4. Technological innovations like online distribution channels, web-stores, multi- and mega-plexes are complementing the ongoing revolution and the growth of the sector.

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5. Indian film industry is second largest in the world and the largest in terms of the films produced and tickets sold.
6. The low cost of production and high revenues ensure a good return on investment for Indian Media And Entertainment industry.

### **WEAKNESSES:**

1. The Media And Entertainment sector in India is highly fragmented.
2. Lack of cohesive production & distribution infrastructure, especially in the case of music industry.
3. The lack of efforts for media penetration in lower socio-economic classes, where the media penetration is low.

### **OPPORTUNITIES:**

1. The concept of crossover movies, such as Bend It Like Beckham has helped open up new doors to the crossover audience and offers immense potential for development.
2. The increasing interest of the global investors in the sector.
3. The media penetration is poor among the poorer sections of the society, offering opportunities for expansion in the area.
4. The nascent stage of the new distribution channels offers an opportunity for development.
5. Rapid de-regulation in the Industry
6. Rise in the viewership and the advertising expenditure.
7. Technological innovations like animations, multiplexes, etc and new distribution channels like mobiles and Internet have opened up the doors of new opportunities in the sector.

### **THREATS:**

1. Piracy, violation of intellectual property rights pose a major treat to the Media And Entertainment companies.
2. Lack of quality content has emerged as a major concern because of the Quick- buck route being followed in the industry.
3. With technological innovations taking place so rapidly, the media sector is facing considerable uncertainty about success in the marketplace.

### **GOVERNMENT INITIATIVES**

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitalizing the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

The Union Cabinet has approved the model Shops and Establishment Act, aimed at generating employment prospects by allowing cinema halls, restaurants, shops, banks and other such workplaces to remain open round the clock.

The Ministry of Information and Broadcasting (I&B) is working towards promoting ease of doing business, which will ensure less regulation and facilitate India to become the hub of media and entertainment industry.

The Government is planning to set up a National *Centre of Excellence* for media, which will provide training to the industry professionals, and has also decided to fund movies, including Bollywood and regional films, for participating in foreign film festivals.

The Union Budget 2016-17 has proposed basic custom duty exemption on newsprint. The customs duty on wood in chips or particles for manufacture of paper, paperboard and newsprint has been reduced to 0 percent from 5 percent.

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Recently, the Indian and Canadian governments have signed an audio-visual co-production deal that would help producers from both countries to explore their technical, creative, artistic, financial and marketing resources for co-productions and, subsequently, lead to exchange of culture and art amongst them.

Furthermore, the Centre has given the go-ahead for licences to 45 new news and entertainment channels in India. Among those who have secured the licenses include established names such as Star, Sony, Viacom and Zee. Presently, 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," said Mr Bimal Julka, Secretary, Ministry of I&B, Government of India.

The radio industry is expected to witness growth opportunities after the Phase III auction of 839 radio channels in 294 cities, expected to complete later this year. The Phase III auction, which started in July 2015, is expected to bring in an estimated US\$ 390 million in revenue to the government. With over 800 frequencies up for auction in third- and fourth-tier towns, radio is likely to match the reach of print.

The Union Cabinet chaired by the Prime Minister, Mr Narendra Modi, has given its approval for entering into an Audio-Visual Co-Production Agreement between India and the Republic of Korea (RoK) and to complete internal ratification procedure, to enable the agreement to come into force. Cooperation between the film industries of the two countries will not only promote export of Indian films but would also act as a catalyst towards creating awareness about India and its culture.

### OUTLOOK

The Indian Media and Entertainment industry is on an impressive growth path. The revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed Rs 81,600 crore (US\$ 12.09 billion) in 2019 from Rs 41,400 crore (US\$ 6.14 billion) in 2014. Internet access has surpassed the print segment as the second-largest segment contributing to the overall pie of M&E industry revenues.

Television and print are expected to remain the largest contributors to the advertising pie in 2018 as well. Internet advertising will emerge as the third-largest segment, with a share of about 16 per cent in the total M&E advertising pie. The film segment which contributed Rs 12,640 crores (US\$ 1.87 billion) in 2014 is projected to grow steadily at a CAGR of 10 per cent on the back of higher domestic and overseas box-office collections as well as cable and satellite rights.

Digital advertising is expected to lead the CAGR with 30.2 per cent, followed by radio with 18.1 per cent. Animation and VFX, and television are expected to register a CAGR of 16.3 per cent and 15.5 per cent respectively, followed by growth rates of gaming (14.3 per cent), music (14.0 per cent), films (10 per cent) and OOH with 9.8 per cent expected CAGR. Within TV, subscription revenues are expected to be three times more than advertising revenues, by 2018. Growth in the regional reach of print and radio shall provide opportunities to further improve the advertisement revenue.

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. 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.

### 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..

## 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.

## 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.



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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.

### INTERNAL CONTROL SYSTEM

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firm of Chartered Accountants has been entrusted with the job to regular conduct the internal audit and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review thereof. The Audit Committee of Directors in its periodical meetings, review the adequacy of internal control systems and procedures and suggests areas of improvements.

In view of the changes in Companies Act, the Company has taken additional measures from the financial year 2014-15 to strengthen its internal control systems. Some of the additional measures in this regard are strengthening background verification process of new joiners, whistle blower policy and strengthening the process of risk assessment.

The organization is well structured and the policy guidelines are well documented with pre defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations. The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported.

The Audit Committee of Directors in its periodical meetings, reviews the adequacy of internal control systems and procedures and suggests areas of improvements. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain central point of the entire control system.

### HUMAN RESOURCES

Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies and processes to meet its business needs. The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's growth.

Human resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement.

### CAUTIONARY STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate intend, will, expect and other similar expressions are intended to identify "Forward Looking Statements". The company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. 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  
of Interworld Digital limited**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN 00090423**

**Place : New Delhi  
Date : 03<sup>rd</sup> September, 2016**

## Corporate Governance

### Philosophy on Code Of Corporate Governance

Your Company stand committed to good Corporate Governance - transparency, accountability, disclosure and independent supervision to increase the value to the stakeholders. The Company is committed to transparency in all its dealings with shareholders, employees, the Government and other parties and places high emphasis on business ethics. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and increasing long-term shareholder value, keeping in view the interests of the company's stakeholders. Your company believes that Corporate Governance is a powerful tool for building trust and long-term relationship with stakeholders, employees, customers and suppliers. The Company has consistently endeavored to be transparent in all areas of its operations.

Corporate Governance to the Company is not just a compliance issue but central guiding principle for everything it does. It's a way of thinking, way of conducting business and a way to steer the organization to take on challenges for now and for the future. The following report on the implementation of the Corporate Governance Code is a sincere effort of the Company to follow the Corporate Governance Principles in its letter and spirit.

Your Directors are committed to good Governance practices and the company has been sharing all important information about its various business segments and operations of the company through Directors Report, Quarterly Results, Chairman's Statement and Annual Reports. Further as required by the Listing Agreement, report on Corporate Governance is given below:

### Board of Directors

The Company is managed by well- qualified Directors. All directors are suitably qualified, experienced and competent .The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefited by the experience and skills of the Board of Directors.

As on 31<sup>st</sup> March, 2016, the Board of Directors consists of five members, comprising of one Managing Director, one Non Executive Director and three Non Executive Independent Directors including one Woman Director. The Board's composition meets the stipulated requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors hold directorship in more than ten public limited companies or act as an Independent Director in more than seven Listed Companies, none of the Directors acts as a member of more than ten or Chairman of more than five Committees as on 31<sup>st</sup> March, 2016 across all public limited companies in which they are Directors.

### Board Meetings

The Board of Directors formulates the business policies of the company, reviews the performance and decides on the main issues concerning the company. During the year under review, Nine Board Meetings were held on 14<sup>th</sup> May, 2015, 30<sup>th</sup> May, 2015, 13<sup>th</sup> August, 2015, 03<sup>rd</sup> September, 2015, 30<sup>th</sup> September 2015, 10<sup>th</sup> November, 2015, 18<sup>th</sup> November, 2015, 13<sup>th</sup> February, 2016 and 22<sup>nd</sup> March, 2016.

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

Name	Category and Designation  (as on 31 <sup>st</sup> March, 2016)	No. of Board Meeting		Whether attended last AGM Yes/No	No. of Committees Chairmanship/Membership of other Board Committees*		Number of other Directorships Held		No. of Shares and convertible instruments held by Executive/ Non-Executive Directors
		Held	Attended		Chairman	Members	Public	Private	
Mr. Peeyush Kumar Aggarwal (Appointed w.e.f 18/11/2015)	Non Executive and Non-Independent Director	2	2	No	3	3	6	12	250,00,000
Mr. Man Mohan Gupta**	Executive and Managing Director	9	5	Yes	0	0	0	6	17,976,616
Mr. Ajay Sharma	Non Executive and Independent Director	9	9	Yes	0	0	1	1	2,000
Mr. Soban Singh Aswal	Non Executive and Independent Director	9	9	Yes	0	0	0	1	NIL
Ms. Madhu Sharma (Appointed w.e.f 01/10/2015)	Non Executive and Independent Director	4	4	No	2	0	5	0	NIL

\* As per the requirements of Clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee in other Public Limited Companies is mentioned only.

\*\* The Board has accepted the resignation of Mr. Man Mohan Gupta from the office of Managing Director of the Company w.e.f 23<sup>rd</sup> July, 2016. However, he will continue as the Director of the Company.

The Board of Directors has complete access to any information within the Company. At the Board Meetings, Directors are provided with all the relevant information on important matters, working of the Company as well as related details that require deliberations by the members of the Board.

### Relationship Between Directors

None of the Directors are related to each other.

### Induction and Familiarisation Programme for Independent Directors

On appointment, the concerned Directors is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The programme aims to familiarize the Directors with their role, rights and responsibilities, nature of business model of the Company, etc.

The Details of the familiarisation programme held for the Independent Directors are available on the Company's website i.e. [http://interworld.co.in/investor\\_relations/policy.php](http://interworld.co.in/investor_relations/policy.php).

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## Independent Directors' Meeting

In compliance with Section 149(8) of the Companies Act, 2013, read alongwith Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, One separate meeting of Independent Directors of the Company was held on 22<sup>nd</sup> March, 2016.

All the Independent Directors were present at the meeting.

## Performance Evaluation

In compliance with the provisions of the Companies Act, 2013 and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a formal mechanism for evaluation of its performances as well as that of its committees and Individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and other criteria as set out in Performance Evaluation Policy.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

## Board Committees

### I. Audit Committee

The role and terms of reference of the Audit Committee are in accordance with Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

During the year under review, Six Audit Committee Meetings were held on 30<sup>th</sup> May, 2015, 13<sup>th</sup> August, 2015, 03<sup>rd</sup> September, 2015, 10<sup>th</sup> November, 2015, 13<sup>th</sup> February, 2016 and 31<sup>st</sup> March, 2016. The Committee is headed by a Non Executive Independent Director. The Chairman of the Audit Committee was present at the last AGM held on 30.09.2015.

Details of attendance of each members of the Audit Committee are as under:

Name of the Director	Category ( as on 31 <sup>st</sup> March, 2016)	Number of meetings during the financial year 2015-16	
		Held	Attended
Mr. Ajay Sharma	Chairman, Non Executive & Independent Director	6	6
Mr. Man Mohan Gupta (Member till 10/11/2015)	Executive and Managing Director	4	3
Mr. Peeyush Kumar Aggarwal ( Member w.e.f 18/11/2015)	Non Executive Director	2	2
Mr. Soban Singh Aswal	Non Executive & Independent Director	6	6

## II. Nomination and Remuneration Committee

The constitution and terms of reference of the Committee are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee (NRC), inter alia, are as follows:

- a. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of directors, key managerial personnel and other employees..
- b. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- c. Devising a policy on diversity of board of directors.
- d. 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 of Directors their appointment and removal
- e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Four meetings of Nomination and Remuneration Committee were held on 30<sup>th</sup> September, 2015, 10<sup>th</sup> November, 2015, 18<sup>th</sup> November, 2015 and 22<sup>nd</sup> March, 2016.

The Composition of the Nomination and Remuneration Committee (NRC) as on March 31, 2016 and the attendance of each member at the Nomination and Remuneration Committee Meetings held during the year is as given below:

Name of Members*	Status	Number of meetings during the financial year 2015-16	
		Held	Attended
Mr. Ajay Sharma	Chairman	4	4
Mr. Man Mohan Gupta (Member till 10/11/2015)	Member	2	1
Ms. Soban Singh Aswal	Member	4	4
Ms. Madhu Sharma (Member w.e.f 10/11/2015)	Member	2	2

### Performance Evaluation

The Nomination and Remuneration Committee had laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors. The assessment was carried on the basis of following criteria:

1. Valuable Input Provided;
2. Dedication and Commitment;
3. Industry Knowledge;
4. Raising of Concern;
5. Compliances under Companies Act;
6. Contribution to development of strategy and to risk management.
7. Updatations with the latest developments.
8. Communication with other Board members, senior management and others.

### Remuneration of Directors

During the year under review, none of the Non Executive Directors has entered into pecuniary relationship or transaction with the Company.

The detailed criteria for making remuneration to Non- Executive Director is mentioned in the Nomination and Remuneration Policy of the Company and is displayed at the website of the Company at [http://interworld.co.in/investor\\_relations/policy.php](http://interworld.co.in/investor_relations/policy.php).

At present, none of the Non- Executive Directors is drawing any remuneration from the Company.

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### Shareholding of Directors

As on 31<sup>st</sup> March, 2016, Mr. Peeyush Kumar Aggarwal holds 250,00,000 equity shares of the Company, Mr. Man Mohan Gupta holds 17,976,616 equity shares of the Company and Mr. Ajay Sharma holds 2000 equity shares of the Company. Apart from the Mr. Peeyush Kumar Aggarwal, Mr. Man Mohan Gupta and Mr. Ajay Sharma, none of the Directors hold any equity shares of the Company.

During the financial year 2015-16, the company did not come out with any stock options plans and no Stock Options were granted to any of the Directors.

### III. Stakeholders' Relationship Committee:

In Compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has formed an "Stakeholders' Relationship Committee". Stakeholders' Relationship Committee reviews the redressal of grievances of stakeholders pertaining to the requests/complaints of the shareholders related to transfer/transmission of shares, Dematerialization/ Rematerialisation of shares, non-receipt of annual reports, non-receipt of dividend, recording the change of address and to deal with all related matters. The Minutes of the Committee are circulated to the Board of Directors.

The committee met 4 times during the year i.e as on 03<sup>rd</sup> September, 2015, 22<sup>nd</sup> September, 2015, 24<sup>th</sup> December, 2015 and 31<sup>st</sup> March, 2016.

The Composition of the Committee as on 31<sup>st</sup> March, 2016 and details of attendance of the Committee members at the meetings areas follows:

Name of Members	Status	Number of meetings during the financial year 2015-16	
		Held	Attended
Mr. Ajay Sharma	Chairman	4	4
Mr. Soban Singh Aswal	Member	4	4
Mr. Man Mohan Gupta ( Member till 10/11/2015)	Member	2	2
Ms. Madhu Sharma (Member w.e.f 10/11/2015)	Member	2	2

During the year under review, Mr. Narender Kumar Baid was the Company Secretary and Compliance Officer of the Company. However, he resigned from the post of Company Secretary w.e.f 13/02/2016. Further, Ms. Shweta Chawla was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 23/07/2016.

Details of Investor complaints received and redressed during the Financial Year 2015-16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	2	2	NIL

### IV. Risk Management Committee

The Risk Management Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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,

## Interworld Digital Limited | 21st Annual General Meeting

(iv) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

During the Financial Year 2015-16, the Risk Management Committee met once on 10<sup>th</sup> November, 2015.

The Composition of the Risk management Committee as at March 31, 2016 and the attendance of each member at the Committee Meetings are as given below:

Name of Members	Status	Number of meetings during the financial year 2015-16	
		Held	Attended
Mr. Ajay Sharma	Chairman	1	1
Mr. Man Mohan Gupta (Member till 10.11.2015)	Member	1	0
Mr. Soban Singh Aswal	Member	1	1
Ms. Madhu Sharma (Member w.e.f 10.11.2015)	Member	Nil	Nil

### V. Investigation Committee

The Board had constituted an Investigation Committee to investigate into the matter of closure of Mumbai Office of the Company and recovery of Company's business and assets. The members of the Investigation Committee are Mr. Peeyush Kumar Aggarwal and Mr. Ajay Sharma.

### Annual General Meetings

The details of last three Annual General Meetings are as follows:

Year	Date	Venue	Time
2013	30.09.2013	701, Arunachal Building,19, Barakhamba Road, Connaught Place, New Delhi 110001	09.30 A.M.
2014	30.09.2014	701, Arunachal Building,19, Barakhamba Road, Connaught Place, New Delhi 110001	09.30 A.M.
2015	30.09.2015	701, Arunachal Building,19, Barakhamba Road, Connaught Place, New Delhi 110001	09.30 A.M.

### Special Resolutions passed during the last three Annual General Meetings:

The following special resolutions have been passed by the shareholders of the company in the previous three Annual General Meetings:

Sr. No.	Particulars of Special Resolutions passed	AGM Details
1.	Re-appointment of Mr. Man Mohan Gupta as a Managing Director for a term of 3 years.	19 <sup>th</sup> AGM held on 30.09.2014
2.	Authorisation to increase the Borrowing Limits.	19 <sup>th</sup> AGM held on 30.09.2014
3.	Creation of Charges(s),Mortgage(s) and hypothecation(s) on movable and immovable properties of the Company.	19 <sup>th</sup> AGM held on 30.09.2014

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## Postal Ballot

During the year under review, no resolution was passed through Postal Ballot. None of the Businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a special resolution through Postal Ballot.

## Means of Communication

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

The Company regularly publishes its Audited/Unaudited Financial Results, Notices of Board Meeting, E voting Notice and other Communications in either of the following Newspapers:

- For English Edition- Pioneer, Business Standard and Financial Express.
- For Hindi Edition- Pioneer, Business Standard and Jansatta.

At the Company's website [www.interworld.co.in](http://www.interworld.co.in) information for shareholders is available. The Company's website displays the information as stipulated under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016 such as Quarterly/Annual Financial Results, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern, Policies, Investors' Contact details etc.

In addition, the Company makes use of this website for publishing official news release, if any.

## General Shareholders' Information

### Details of 21<sup>st</sup> Annual General Meeting of the Company

Day & Date	Friday, 30th September, 2016
Time	09:30 A.M.
Venue	701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi 110001

### Calendar for the financial year ending 31st March, 2017

Financial Reporting for the	Tentative time frame
First quarter ended 30th June, 2016	First fortnight of August, 2016
Second quarter ending 30th September, 2016	First fortnight of November, 2016
Third quarter ending 31st December, 2016	First fortnight of February, 2017
Fourth quarter ending 31st March, 2017	By the end of May, 2017

### Date Of Book Closure

From 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days Inclusive) for the purpose of 21<sup>st</sup> Annual General Meeting.

### Listing on Stock Exchanges

Name and Address of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd (BSE) 1st Floor, P.J. Towers, Dalal Street, Mumbai-400001	Scrip Code -532072/INTERDIGI



## Interworld Digital Limited | 21st Annual General Meeting

### Listing Fees

The Listing Fees of the Bombay Stock Exchange (BSE) for the Financial Year 2016-17 is pending. The Company is in the process of making the payment of the same.

**CIN Number: L72900DL1995PLC067808**

### ISIN No.

The Company's Demat International Security Identification Number (ISIN) for its equity shares in NSDL and CDSL is INE 177D01020.

### 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 2015-16 are as follows:

Share Price as per BSE's Limited website are as under:

Company: INTERWORLD DIGITAL LIMITED-532072  
Period: April, 2015 to March, 2016

All Prices in ₹

Month	High	Low	No. of Shares Traded
Apr 15	1.25	0.80	46,75,811
May 15	1.08	0.74	63,59,536
Jun 15	0.78	0.51	1,04,49,203
Jul 15	0.68	0.49	1,02,55,322
Aug 15	0.90	0.46	1,62,13,170
Sep 15	0.44	0.26	73,77,366
Oct 15	0.25	0.15	2,47,13,811
Nov 15	0.15	0.12	70,34,070
Dec 15	0.13	0.12	65,63,527
Jan 16	0.13	0.12	1,21,68,087
Feb 16	0.14	0.12	27,47,411
Mar 16	0.13	0.13	20,85,239

**The Equity Shares of the company have not been suspended from trading by SEBI and/or by Bombay Stock Exchange i.e BSE, where the shares of the Company are listed.**

## Interworld Digital Limited | 21st Annual General Meeting

Name and Address of the Registrar and Share Transfer Agent (RTA):

Skyline Financial Services Pvt. Ltd.  
D-153/A, 1st Floor  
Okhla Industrial Area  
Phase -1, New Delhi-110020.  
Ph. No.:011-64732681-88  
Fax No.: **011-** 26812682  
Contact Person Details: Mr. Atul/Anil  
Email Id: admin@skylinerta.com

### Share Transfer System

The Company's equity shares which are in dematerialized form are transferable through the dematerialized system Equity Shares in physical form are processed by Registrar and Share Transfer Agent, M/s. Skyline Financial Services Private Limited and approved by the Stakeholder's Relationship Committee of the Board.

### Reconciliation of Share Capital Audit Report

A practicing Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit report confirms that the total issued/ paid up capital is in consonance with the total number of shares in physical form and the total number of dematerialized shares held with the depositories.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2016:

Nominal Value of Each Share : Re. 1/-				
Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	5285	77.62	7788518	1.63
5001 To 10,000	599	8.8	5067908	1.06
10001 To 20,000	281	4.13	4313036	0.9
20001 To 30,000	129	1.89	3291975	0.69
30001 To 40,000	66	0.97	2394240	0.5
40001 To 50,000	78	1.15	3734134	0.78
50001 To 1,00,000	138	2.03	10680344	2.23
1,00,000 and Above	233	3.42	441106845	92.21
<b>Total</b>	<b>6809</b>	<b>100</b>	<b>478377000</b>	<b>100</b>

### Dematerialisation 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 Limited (NSDL) and Central Depository Services ( India ) Limited (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. As of 31st March, 2016 shares comprising approximately 80.98% of the Company's Equity Share Capital have been dematerialized.

### Status of Dematerialised Shares as on 31<sup>st</sup> March, 2016 (Equity ISIN No. INE177D01020)

Shares Held through	No. of Shares	Percentage of Holding
NSDL	16,90,83,047	35.35
CDSL	21,82,84,753	45.63
Physical	9,10,09,200	19.02
Total	47,83,77,000	100.00

## Interworld Digital Limited | 21st Annual General Meeting

### Shareholding Pattern of the Company as on 31st March, 2016

Category	No. of Shares held	% of share holding
<b>A. Promoters' holding</b>		
Promoters		
Indian Promoters	4,29,76,616	8.98
Body Corporates	80,46,048	1.68
Foreign Promoters	Nil	Nil
2. Persons Acting in Concert	Nil	Nil
<b>Sub-total (A)</b>	<b>5,10,22,664</b>	<b>10.67</b>
<b>B. Non-Promoters' holding</b>		
3. Institutional Investors		
a. Mutual Funds & UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-government Institutions)	Nil	Nil
c. FIs	Nil	Nil
<b>Sub-total</b>	<b>Nil</b>	<b>Nil</b>
4. Non Institutional Investors		
a. Bodies Corporate		
b. individuals	26,74,79,393	55.91
-Individual shareholders holding nominal share capital up to Rs. 2 Lakhs	4,74,86,464	9.93
-Individual shareholders holding nominal share capital up in excess of Rs. 2 Lakhs	10,15,96,289	21.24
c. Any Other		
NRI	34,27,291	0.72
Hindu Undivided Family	73,10,024	1.53
Clearing Members	54,875	0.01
<b>Sub-total (B)</b>	<b>427,354,336</b>	<b>89.33</b>
<b>Grand Total (A)+(B)</b>	<b>478,377,000</b>	<b>100.00</b>

## **ADRs/GDRs/Warrant**

The Company has not issued any ADRs/GDRs/Warrants or any other convertible instruments.

## **Commodity Price Risk or Foreign Exchange Risk And Hedging Activities:**

The Company is not involved into any activities relating to commodities price risks and hedging thereof.

## **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**

Interworld Digital Limited  
Registered Office:701, Arunachal Building, 19,  
Barakhamba Road, Connaught Place, New Delhi – 110001  
Phones: 011 – 43571044-45  
Fax: 011 - 43571047  
Email Id: [www.interworld.co.in](http://www.interworld.co.in), [interworlddigital@gmail.com](mailto:interworlddigital@gmail.com)

## **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  
Ph. No.: 011-43571044-45  
Fax No.: 011-43571047  
Email Id: [www.interworld.co.in](http://www.interworld.co.in), [interworlddigital@gmail.com](mailto:interworlddigital@gmail.com)

## **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.

## **Prohibition of Insider Trading**

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

## **CEO/CFO Certification**

The Chairman and CFO of the Company has issued certificate pursuant to Regulation 17(8) read with Part B of Schedule II of the Listing Regulations certifying that the financial statements and the cash flow statement do not contain any untrue statements and these statements represent a true and fair view of the Company's affairs. The same is annexed to this Report

## **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 erstwhile Listing Agreement with the Stock Exchanges and Schedule V (E) of the SEBI (LODR) Regulations, 2015 in force. The same is annexed to this report.

## Disclosures

- (i) There were no transactions of the material nature with the related parties during the year that may have potential conflict with the interests of the Company at large. The policy on related party transaction is available in the website of the Company i.e. [http://interworld.co.in/investor\\_relations/policy.php](http://interworld.co.in/investor_relations/policy.php).
- (ii) There was no instance of non-compliance and no penalties or strictures were imposed on the Company by Stock Exchange or SEBI or any other Statutory Authorities on any matter related to the Capital Markets during the last three years.
- (iii) The Company has formulated a Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company. The Whistle Blower Policy/Vigil Mechanism policy is available in the website of the Company i.e. [http://interworld.co.in/investor\\_relations/policy.php](http://interworld.co.in/investor_relations/policy.php). Further, no employee has been denied access to the Audit Committee.
- (iv) The Company has complied with all the mandatory requirements of Corporate Governance of the Listing Regulations as are applicable to the Company. The Company also endeavors to follow Non-Mandatory requirements.
- (v) The Company is not involved into activities relating to commodity price risks and hedging thereof.

## Details of Compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Regulations

The Company has complied with all the Mandatory requirements as prescribed under the erstwhile Listing Agreement and Listing Regulations, to the extent applicable, including Corporate Governance requirements as specified under Regulation 17 to 27 and Clause (b) to (i) of Sub- Regulation (2) of Regulation 46 of the Listing Regulations as applicable to the Company.

A Certificate from M/s. RMA and Associates, the Statutory Auditors of the company confirming compliance with the conditions of corporate governance as specified under Schedule V (E) of the Listing Regulations is annexed to this Report. Further, the Company has also complied with all requirements about disclosures in the Corporate Governance Report, as specified in sub para (2) to (10) of Clause C of Schedule V of the Listing Regulations.

## Non- Mandatory requirements of Regulation 27(1) and Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Company has a Non- Executive Chairman.
2. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
3. The Internal Auditors report to the Audit Committee.

## Disclosure of Accounting Treatment

There is no deviation in following the treatment prescribed in the Accounting Standards in preparation of Financial Statements of the Company for the year ended on March 31, 2016.

## Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the members to the Depositories or to the Company.

***To support this green initiative in full measure, members who have not registered their E-mail address and PAN Number. so far, are requested to register their E-mail address and PAN Number, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill their e-mail address and PAN Number for our records in the registration form which can be downloaded from the Company's website i.e. [www.interworld.co.in](http://www.interworld.co.in) for sending the documents in electronic form or else sent a request letter directly to the Company mentioning their E-mail address and PAN No. alongwith self attested copy of their PAN Card.***

## Interworld Digital Limited | 21st Annual General Meeting

### Dematerialization of Shares

*Shareholders are requested to convert their physical holding to demat/electronic form through any of the Depository Participants to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.*

### Consolidation of Multiple Folios

Shareholders who have multiple folios in identical names, are requested to apply for consolidation of such folios and the relevant share certificates to the Company/its Registrar and Transfer Agent.

### Updation of Registered Address with the Company

Shareholders are requested to update their addresses registered with the Company directly through the Share Transfer Agent, to receive all communications promptly. Shareholders holding shares in electronic form, are requested to deal only with their Depository Participants in respect of change of address.

### Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is also available on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

### Declaration of Compliance of the Code of Conduct in terms of Schedule V of SEBI ( Listing Obligations and Disclosure Requirements), Regulations, 2015

“ In terms of Schedule V of SEBI ( Listing Obligations and Disclosure Requirements), Regulations, 2015 and as per affirmation received from the Directors and the Members of Senior Management Personnel of the Company, I hereby declare that Directors & the Members of Senior Management of the Company have complied with the Code Of Conduct during the F.Y. 2015-16.

**For and on behalf of the Board**  
of Interworld Digital Limited

**Dated : 03<sup>rd</sup> September, 2016**  
**Place: New Delhi**

**Sd/-**  
**Peeyush Kumar Aggarwal**  
**Chairman**  
**DIN: 00090423**

**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 year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges for the period from April 1, 2015 to November 30, 2015 and as per the provisions of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) and Regulations 17 to 27 and other applicable Regulations and Schedules thereof of the Listing Regulations for the period from 01<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

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 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/Listing Regulations, as applicable.

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

**For M/s. RMA & Associates**  
**Chartered Accountants**  
Sd/-  
**Santosh Kumar**  
**Partner**  
**Membership No.3344008**

**Place: New Delhi**  
**Dated: 30.05.2016**

**CEO/CFO Certification**

This is to certify to the Board that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2016 and that to the best of our knowledge and belief state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year, whenever applicable;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Interworld Digital Limited**

Sd/-  
**Peeyush Kumar Aggarwal**  
**Chairman**  
**(DIN: 00090423)**

Sd/-  
**Rachit Garg**  
**Chief Financial Officer**  
**(PAN: AZSPG7226K)**

**Place: New Delhi**  
**Date: 30/05/2016**

# Interworld Digital Limited | 21st Annual General Meeting

**Annexure I**

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

As on financial year ended on 31.03.2016

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 011-43571044-45
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)-

Sl. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the
1.	Motion Picture, Video and T.V Programme activities including digital distribution for direct projection in theaters or for broadcasting on T.V.	591	100%

**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
-	-	-	-	-	-

**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-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	45,976,616	-	45,976,616	09.61	42,976,616	-	42,976,616	8.98	(0.63)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	19,046,048	-	19,046,048	03.98	8,046,048	-	8,046,048	1.68	(2.3)
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>51,022,664</b>	<b>-</b>	<b>51,022,664</b>	<b>10.67</b>	<b>(2.93)</b>
(2) Foreign									



**Interworld Digital Limited | 21st Annual General Meeting**

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>	<b>65,022,664</b>	-	<b>65,022,664</b>	<b>13.59</b>	<b>51,022,664</b>	-	<b>51,022,664</b>	<b>10.67</b>	<b>(2.93)</b>
<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	215,172,259	90,148,900	305,321,159	63.82	188,067,808	90,148,900	278,216,708	58.16	(5.66)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	23,898,687	2,60,300	24,158,987	05.05	33,877,658	2,60,300	34,137,958	7.14	2.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	78,345,749	6,00,000	78,945,749	16.50	103,607,480	6,00,000	104,207,480	21.78	5.28
c) Others (specify)									

## Interworld Digital Limited | 21st Annual General Meeting

Non Resident Indians	8,47,696	-	8,47,696	0.18	3,427,291	-	3,427,291	0.72	0.54
Hindu Undivided Family	27,67,735	-	27,67,735	0.58	73,10,024	-	73,10,024	1.53	0.95
Clearing Members	13,13,010	-	13,13,010	0.27	54,875	-	54,875	0.01	(0.26)
<b>Sub-total (B)(2):-</b>	<b>322,345,136</b>	<b>91,009,200</b>	<b>413,354,336</b>	<b>86.41</b>	<b>336,345,136</b>	<b>91,009,200</b>	<b>427,354,336</b>	<b>89.33</b>	<b>2.93</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	322,345,136	91,009,200	413,354,336	86.41	336,345,136	91,009,200	427,354,336	89.33	2.93
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>387,367,800</b>	<b>91,009,200</b>	<b>478,377,000</b>	<b>100</b>	<b>387,367,800</b>	<b>91,009,200</b>	<b>47,83,77,000</b>	<b>100</b>	<b>-</b>

### II) Shareholding of Promoter-

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 1st-April-2015]			Shareholding at the end of the year [As on 31st-March-2016]			% change in shareholding 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	2,09,76,616	4.38	-	1,79,76,616	3.75	-	(0.63)
2.	Mr. Peeyush Kumar Aggarwal	2,50,00,000	5.23	-	2,50,00,000	5.23	-	-
3.	M/s. Omkam Capital Markets Private Limited	20,38,100	0.43	-	20,38,100	0.43	-	-
4.	M/s. Omkam Commodities Private Limited	5,00,000	0.10	-	5,00,000	0.10	-	-
5.	M/s. Omkam Communications Private Limited	19,26,000	0.40	-	19,26,000	0.40	-	-
6.	M/s. Omkam Apparels Private Limited	18,46,000	0.39	-	18,46,000	0.39	-	-
7.	M/s. Omkam Global Capital Private Limited	16,01,000	0.33	-	16,01,000	0.33	-	-
8.	M/s. M M Commodities Private Limited	1,11,21,600	2.32	-	1,21,600	0.03	-	(2.30)
9.	M/s Firstbiz Network Private Limited	13,348	0.02	-	13,348	0.02	-	-
	<b>Total</b>	<b>6,50,22,664</b>	<b>13.6</b>	<b>-</b>	<b>5,10,22,664</b>	<b>10.67</b>	<b>-</b>	<b>(2.93)</b>

### iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 1st-April-2015]		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (1st-April-2015 to 31 <sup>st</sup> -March, 2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>1. Mr. Man Mohan Gupta</b>								
	At the beginning of the year	20976616	4.38					

## Interworld Digital Limited | 21st Annual General Meeting

	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	04/09/2015	(3000000)	Sale	17976616	3.76
	At the end of the year	17976616	3.76				17976616	3.76
<b>2. M/s. M M Commodities Private Limited</b>								
	At the beginning of the year	11121600	2.32					
	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	04/09/2015	(11000000)	Sale	121600	0.03
	At the end of the year	121600	0.03				121600	0.03
<b>3. M/s. Omkam Capital Markets Private Limited</b>								
	At the beginning of the year	2038100	0.43					
	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	15/05/2015	5587	Purchase	2043687	0.43
				21/08/2015	(2515)	Sale	2041172	0.43
				28/08/2015	368333	Purchase	2409505	0.5
				04/09/2015	(288922)	Sale	2120583	0.44
				11/09/2015	176739	Purchase	2297322	0.48
				18/09/2015	(37702)	Sale	2259620	0.47
				23/09/2015	1811396	Purchase	4071016	0.85
				30/09/2015	(1629381)	Sale	2441635	0.51
				01/10/2015	(142528)	Sale	2299107	0.48
				16/10/2015	892793	Purchase	3191900	0.67
				23/10/2015	(106350)	Sale	3085550	0.65
				30/10/2015	3646434	Purchase	6731984	1.41
				31/10/2015	(4693884)	Sale	2038100	0.43
	At the end of the year	2038100	0.43				2038100	0.43

**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-2015]		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (1st-April-2015 to 31 <sup>st</sup> -March, 2016)	
		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	34864428	7.29					
	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	10/04/2015	(100000)	Sale	4764428	7.27
				24/04/2015	(34764428)	Sale	0	0
				01/05/2015	34764428	Purchase	34764428	7.27

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	equity etc.)							
	At the end of the year	34764428	7.27				34764428	7.27
<b>2. M/s. Neelabh Spinning Mills Private Limited</b>								
	At the beginning of the year	15875000	3.32					
	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	05/06/2015	(1400000)	Sale	14475000	3.03
				15/01/2016	(14475000)	Sale	0	0
				22/01/2016	14475000	Purchase	14475000	3.03
				05/02/2016	15757107	Purchase	30232107	6.32
	At the end of the year	30232107	6.32				30232107	6.32
<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 Shareholding 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	21209173	4.43				21209173	4.43
	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	Nil	Nil	Nil
	At the end of the year	21209173	4.43				21209173	4.43
<b>5. M/s. UFO Moviez India Limited</b>								
	At the beginning of the year	6000000	1.25					
	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	04/09/2015	14000000	Purchase	20000000	4.18
	At the end of the year	20000000	4.18				20000000	4.18
<b>6. M/s. Adamina Traders Private Limited</b>								
	At the beginning of the year	22058776	4.61					
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase	Nil	Nil	03/04/2015	(5000)	Sale	22053776	4.61
				10/04/2015	(3570000)	Sale	18483776	3.86

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	/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)							
	At the end of the year	18483776	3.86				18483776	3.86
<b>7. M/s. Shriram Credit Company Limited</b>								
	At the beginning of the year	14849064	3.10					
	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	22/05/2015	(60585)	Sale	14788479	3.09
				29/05/2015	(58287)	Sale	14730192	3.08
				14/08/2015	785894	Purch:	15516086	3.24
				23/09/2015	3481000	Purch:	18997086	3.97
				31/12/2015	(619709)	Sale	18377377	3.84
	Transfer- (Sale)			31/03/2016	(9000)	Sale	18368377	3.84
	At the end of the year	18368377	3.84				18368377	3.84
<b>8. M/s. Anvita Trading Co Pvt. Ltd.</b>								
	At the beginning of the year	15000000	3.14				15000000	3.14
	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	Nil	Nil	Nil
	At the end of the year	15000000	3.14				15000000	3.14
<b>9. M/s. Naseem Tradelink Private Limited</b>								
	At the beginning of the year	14500000	3.03				14500000	3.03
	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	Nil	Nil	Nil
	At the end of the year	14500000	3.03				14500000	3.03
<b>10.M/s. Gateway Textiles Traders Pvt. Ltd.</b>								
	At the beginning of the year	14500000	3.03				14500000	3.03
	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	Nil	Nil	Nil
	At the end of the year	14500000	3.03				14500000	3.03
<b>11.M/s. Jeshna Multitrade Private Limited</b>								
	At the beginning of the year	14250000	2.98				14250000	2.98
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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	/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)							
	At the end of the year	14250000	2.98				14250000	2.98
<b>12. M/s. Harsimrat Investments Private Limited</b>								
	At the beginning of the year	15477150	3.24					
	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					
				10/04/2015	(279440)	Sale	15197710	3.18
				17/04/2015	(57351)	Sale	15140359	3.16
				15/05/2015	(3689)	Sale	15136670	3.16
				21/08/2015	(3072)	Sale	15133598	3.16
				28/08/2015	(594488)	Sale	14539110	3.04
				04/09/2015	(182413)	Sale	14356697	3.00
				11/09/2015	(256150)	Sale	14100547	2.95
				18/09/2015	(545110)	Sale	13555437	2.83
				23/09/2015	(2245856)	Sale	11309581	2.36
				30/09/2015	(556186)	Sale	10753395	2.25
				09/10/2015	(78710)	Sale	10674685	2.23
				16/10/2015	(3738542)	Sale	6936143	1.45
				23/10/2015	(2319612)	Sale	4616531	0.97
				30/10/2015	(4616530)	Sale	1	0.00
	At the end of the year	1	0				1	0
<b>13. M/s. Dhiru Realestates Private Limited</b>								
	At the beginning of the year	21000000	4.39					
	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					
				01/05/2015	(700000)	Sale	20300000	4.24
				30/10/2015	(4044163)	Sale	16255837	3.4
				06/11/2015	(498730)	Sale	15757107	3.29
				29/01/2016	(15757107)	Sale	0	0
	At the end of the year	0	0				0	0

**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-2015]		Cumulative Shareholding during the Year (1st-April-2015 to 31 <sup>st</sup> -March, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. Mr. Man Mohan Gupta (Managing Director)</b>					
	At the beginning of the year	20976616	4.38	20976616	4.38
	Shares sold on 04/09/2015	(3000000)	(0.62)	17976616	3.76
	At the end of the year	17976616	3.76	17976616	3.76
<b>2. Mr. Peeyush Kumar Aggarwal (Director)</b>					
	At the beginning of the year	25000000	5.23	25000000	5.23
	Shares sold or Purchase	Nil	Nil	Nil	Nil
	At the end of the year	25000000	5.23	25000000	5.23

**No other Directors/KMP hold Shares in the Company as on 31.03.2016.**

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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	27,78,859	1,09,83,000	-	1,37,61,859
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>27,78,859</b>	<b>1,09,83,000</b>	<b>-</b>	<b>1,37,61,859</b>
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	10,41,741	4,83,000	-	15,24,741
<b>Net Change</b>	<b>10,41,741</b>	<b>4,83,000</b>	<b>-</b>	<b>15,24,741</b>
Indebtedness at the end of the financial year				
i) Principal Amount	17,37,118	1,05,00,000	-	1,22,37,118
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>17,37,118</b>	<b>1,05,00,000</b>	<b>-</b>	<b>1,22,37,118</b>

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/WTD/ Manager	Total Amount
		<b>Mr. Man Mohan Gupta(Managing Director)</b>	
1	Gross salary	Nil	Nil
	(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
	<b>Total (A)</b>	Nil	Nil
	<b>Ceiling as per the Act</b>	Nil	Nil

B. **Remuneration to other directors**

Sl.No..	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ajay Sharma	Mr. Peeyush Kumar Aggarwal	Mr. Soban Singh Aswal	Ms. Madhu Sharma	
1	Independent Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil

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	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	Nil	Nil	Nil	Nil	Nil
2	<b>Other Non-Executive Directors</b>	<b>None</b>				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	Nil	Nil	Nil	Nil	Nil
	<b>Overall Ceiling as per the Act</b>	Nil	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	1,05,000	Nil	1,05,000
	(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
	<b>Total</b>	Nil	1,05,000	Nil	1,05,000

### 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)
<b>A. COMPANY</b>					
Penalty	<b>None</b>				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	<b>None</b>				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	<b>None</b>				

For and on behalf of the Board of Interworld Digital Ltd.

Sd/-

Peeyush Kumar Aggarwal

Chairman

DIN: 00090423

Dated : 03<sup>rd</sup> September, 2016

Place: New Delhi



## Performance Evaluation Policy

### 1. Introduction

The Interworld Digital Limited (“**The Company**”) conducts its operations as per the directions provided by the Board of Directors within the framework laid down by the Companies Act, 2013 (“**the Act**”), the Articles of Association, Listing Agreement with stock exchanges and Code of Conduct and policies formulated by the Company for its internal execution. The Company’s Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders.

The Act provides that the Nomination and Remuneration Committee shall formulate the criteria for evaluation of performance of Independent Directors and the Board. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner. The Act further casts an obligation on part of the board of directors for evaluating the performance of independent directors. All the directors on the board of a company, except the independent director whose performance is being evaluated, will assess the performance of the independent director. Accordingly, a report of performance evaluation of each independent director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company’s top management, this Board Performance Evaluation process aims to ensure individual directors (“Directors”) and the Board of Directors of the Company (“Board”) as a whole work efficiently and effectively in achieving their functions. This policy aims at establishing a procedure for conducting periodical evaluation of its own performance and individual directors. Hence, it is important that every individual Board Member effectively contributes in the Board deliberations.

### 2. Role of Board and Independent Directors

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Independent Directors are duty bound to evaluate the performance of non – independent directors and Board as a whole. The independent directors of the Company shall meet at least once in a year to review the performance of the non-independent directors, performance of Chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

### 3. Evaluation Criteria

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director. In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and individual directors. Such evaluation factors may vary in accordance with their respective functions and duties. Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director being evaluated.

**Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.**

#### Rating Scale:

Performance	Rating
Excellent	4
Very Good	3
Good	2
Satisfactory	1
Not Satisfactory	0

#### **Evaluation of Independent Directors**

While evaluating the performance of Independent Directors following points needs to be Considered.

**Name of the Director being assessed:** \_\_\_\_\_

Sr. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board		
3.	Safeguard of confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings.		
5.	Initiative in terms of new ideas and planning for the Company.		
6.	Safeguarding interest of whistle-blowers under vigil mechanism.		
7.	Timely inputs on the minutes of the meetings of the Board and Committee’s, if any		
8.	Compliance with Article of Association, Companies Act, Listing		

## Interworld Digital Limited | 21st Annual General Meeting

	Regulations & other laws applicable to the Company		
9.	Contribution to development of strategy and to risk management		
10.	Updatations with latest developments		
11	Communications with Board members, senior management and others		

### **Evaluation of Non Independent/ Executive Directors**

While evaluating the performance of Non-Independent Directors/ Executive Directors following point's needs to be considered:

**Name of the Director being assessed:** \_\_\_\_\_

Sr. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Leadership initiative		
2.	Initiative in terms of new ideas and planning for the Company		
3.	Professional skills, problem solving and decision making		
4.	Compliance with policies of the Company, ethics, Code of Conduct etc.		
5.	Reporting of frauds, violations etc.		
6.	Motivating employees, providing assistance & directions		
7.	Attendance and presence in meeting of Board, Committee and General Meeting.		
8.	Safeguarding of interest of whistle blowers under vigil mechanism.		
9.	Timely inputs of the minutes of the meetings of the Board and Committee, if any.		
10.	Compliance with Article of Association, Companies Act, Listing Regulations & other laws applicable to the Company		
11.	Contribution to development of strategy and to risk management		
12.	Updatations with latest developments		
13.	Communications with Board members, senior management and others		

### **Evaluation of Board of Directors**

While evaluating the Performance of the Board of Directors as a whole, following points needs to be considered:

Sr. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	The Board of Directors of the company is effective in decision making		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the company's management.		
6.	Is the board as a whole up to date with latest developments in the regulatory environment and the market?		
7.	The information provided to directors prior to Board meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.		
12.	The Board considers the independent audit plan and provides recommendations.		

### **COMMITTEES OF BOARD**

The Board has constituted the following committees:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;
4. Risk Management Committee

## Interworld Digital Limited | 21st Annual General Meeting

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects:

Sr. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Compliance with Article of Association, Companies Act, Listing Regulations & other laws applicable to the Company		
2.	Compliance with ethical standards & code of conduct of Company		
3.	Committee's accomplishments w.r.t. performance objectives		
4.	Redressal of complaints & grievances		
5.	Coordination with other committees and Board of Directors		
6.	Fulfillment of roles & responsibilities assigned to them		
7.	Adherence to Company's policies and internal procedures		

### **Evaluation of Key Management Personnel and Senior Executives**

While evaluating the performance of Key Management Personnel and Senior Executives (other than Directors) following points shall be kept in mind:

Sr. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Abidance and behavior in accordance with ethical standards & code of conduct of Company.		
2.	Compliance with Article of Association, Companies Act, Listing Regulations & other laws. Applicable to the Company		
3.	Interpersonal and communication skills		
4.	Team work attributes		
5.	Safeguard of confidential information		
6.	Compliance with policies of the Company, ethics, code of conduct, etc.		
7.	Punctuality and other personality related aspects		

#### **4. Review of the Policy**

The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

#### **5. Disclosure**

Company will disclose details of its Board Performance Evaluation processes in its Board's report. The Board's report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and individual directors of the Company.

**For and on behalf of the Board  
of Interworld Digital Limited**

**Dated : 03<sup>rd</sup> September, 2016**  
**Place: New Delhi**

Sd/-  
**Peeyush Kumar Aggarwal**  
Chairman  
DIN: 00090423

**NOMINATION & REMUNERATION POLICY**

(As amended w.e.f. 10<sup>th</sup> November, 2015)

**1. Introduction**

Pursuant to Section 178 of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Listing Regulations, 2015, 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 SEBI listing Regulations, 2015 and/or any other Act/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

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Companies Act, 2013 and Listing 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.

## **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 SEBI listing Regulations, 2015;

#### **(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**

## Interworld Digital Limited | 21st Annual General Meeting

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

## Interworld Digital Limited | 21st Annual General Meeting

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/ Setting Fees / Commission to Non-Executive / Independent Directors**

#### **1. Remuneration/ Setting Fees / Commission**

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.

Non-Executive Directors/ Independent Director shall be paid a Setting Fees / Commission as may be decided by

## Interworld Digital Limited | 21st Annual General Meeting

the Board of Directors from time to time subject to the limits specified in Companies Act, 2013 and other applicable laws/ Regulations.

### 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

**For and on behalf of the Board  
of Interworld Digital Limited**

Sd/-

**Peeyush Kumar Aggarwal  
Chairman**

DIN: 00090423

**Dated : 03<sup>rd</sup> September, 2016**

**Place: New Delhi**

**Annexure-4**

### **Form No. MR-3 SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[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, 2016**

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 31.03.2016 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 31/03/2016 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'):-



## Interworld Digital Limited | 21st Annual General Meeting

- (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;
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 applicable w.e.f. December 01, 2015;

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; (applicable upto 30<sup>th</sup> November, 2015) and thereafter a fresh agreement with the said stock exchanges was executed.

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.

However, due to technical issues, necessary Forms alongwith the fees with respect to increase in Authorised share capital could not be filed and paid. Though the authorized share capital was increased when the provisions of the Companies Act, 1956 were applicable and fees as per the Companies Act, 1956 was payable, meanwhile, some of the provisions and Schedules of the Companies Act, 2013 including Table of Fees pursuant to Rule 12 of the Companies (Registration of Offices & Fees) Rules, 2014 got notified due to which the fees payable upon increase in authorized share capital stands increased drastically and was being demanded, though the authorized share capital was increased during 2010-11. Since the fees demanded was in accordance with the Table of Fees as notified under the Companies Act, 2013, the Company on legal advice preferred a writ petition before the Hon'ble Delhi High Court on 30/05/2016 vide diary no. 159963.

### 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.

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

**Sd/-  
Ashish Kumar Friends  
Practising Company Secretary  
C. P. No. 4056, Mem No. FCS 5129**

**Place: New Delhi  
Date: 30.05.2016**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE as A' and forms an integral part of this report.**

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

Our Report Of even date is to be Read along with this Letter.

1. Maintenance of Secretarial records is the Responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtain the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examinations was limited to the verifications of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Sd/-  
**Ashish Kumar Friends**  
**Practising Company Secretary**  
**C. P. No. 4056, Mem No. FCS 5129**

**Place: New Delhi**  
**Date: 30.05.2016**

**Annexure - 5**

**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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (Rs. In Lacs p.a.)	% Increase in Remuneration in the Financial Year 2015-16	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 ( as on 31 <sup>st</sup> March, 2016)	NIL	Not Applicable	Not Applicable	Net loss for the financial year 2015-16 is Rs. 78.80 Lacs as compared to Net Profit

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					of Rs.15.40 Lacs for the financial year 2014-15.
2.	Mr. Peeyush Kumar Aggarwal Non- Executive Director	NIL	Not Applicable	Not Applicable	
3.	Mr. Ajay Sharma Independent Director	NIL	Not Applicable	Not Applicable	
4.	Mr. Soban Singh Aswal Independent Director	NIL	Not Applicable	Not Applicable	
5	Ms. Madhu Sharma Independent Director	NIL	Not Applicable	Not Applicable	
5.	Mr. Rachit Garg (w.e.f. 22.03.2016)	NIL	Not Applicable	Not Applicable	Net loss for the financial year 2015-16 is Rs. 78.80 Lacs as compared to Net Profit of Rs.15.40 Lacs for the financial year 2014-15.
5.	Mr. Narender Kumar Baid Company Secretary (from 01.04.2016 to 13.02.2016)	1.05	NIL	Not Applicable	Net loss for the financial year 2015-16 is Rs. 78.80 Lacs as compared to Net Profit of Rs.15.40 Lacs for the financial year 2014-15.

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 03 permanent employees on rolls of Company as on March 31, 2016;
- iv. Relationship between average increase in remuneration and company performance – During the F.Y. 2015-16, there was no increase in remuneration. The company had a net loss of Rs. 78.80 Lacs for the financial year 2015-16, Further; there was no increase in median remuneration.
- v.
  - a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2016 was Rs. 6,21,89,010/- as compared to market capitalization of Rs. 57,40,52,400/- on March 31, 2015
  - b) The closing price of the Company's equity shares on the BSE as on March 31, 2016 was Rs. 0.13 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. 2015-16 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.

**For and on behalf of the Board  
of Interworld Digital Limited**

**Dated : 03<sup>rd</sup> September, 2016  
Place: New Delhi**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN: 00090423**

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

## **Independent Auditor's Report**

**To the Members of  
INTERWORLD DIGITAL LIMITED  
New Delhi**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **INTERWORLD DIGITAL LIMITED** (“the Company”) which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated 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, financial performance and cash flows 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 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 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 adequate internal financial controls, 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 there-under.

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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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, 2016, and its profit/loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) in our opinion, the aforesaid (Standalone) 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) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) 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 does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

**Place: Delhi  
Dated: 30<sup>th</sup> May, 2016**

**INTERWORLD DIGITAL LIMITED**

**“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we further state as under:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.  
  
(b) All the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.  
  
(c) The title deeds of immovable properties is held in the name of the company.
2. The inventories have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book stocks were not material and have been properly 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, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments guarantees and security.
5. The Company has not accepted any deposits from the public. Therefore, the directive issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under does not arise.
6. As informed to us, 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. 1,78,52,685 TDS u/s 192 for amounting Rs. 13,40,245 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, there are no statutory dues which have not been deposited on account of any dispute.
8. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks.
9. According to the information & explanation given to us and the records of the Company examined by us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
10. Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and nor any fraud on the company by its officers or employees has been noticed or reported during the year.
11. No Managerial Remuneration is paid by the company during the year hence provisions of Section 197 read with Schedule V to Companies Act, 2013 are not applicable.
12. In our opinion, the company is not a Nidhi company within the meaning of relevant law.
13. Based on the audit procedures performed and the information and explanations given by the management, all transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and requisite details have been disclosed in the financial statements as required by the applicable accounting standards.

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14. Based on the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or partly convertible debentures u/s 42 of the Companies Act, 2013 during the year.
15. Based on the audit procedures performed and the information and explanations given by the management, the company has not entered in to any non-cash transaction with directors or others in contravention of section 192 of the Companies Act, 2013.
16. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Place: Delhi  
Dated: 30<sup>th</sup> May, 2016**

### **INTERWORLD DIGITAL LIMITED**

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of INTERWORLD DIGITAL LIMITED.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **INTERWORLD DIGITAL LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the

## Interworld Digital Limited | 21st Annual General Meeting

assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place: Delhi  
Dated: 30<sup>th</sup> May, 2016**



# Interworld Digital Limited | 21st Annual General Meeting

INTERWORLD DIGITAL LIMITED

CIN:L72900DL1995PLC067808

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

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amounts in Rs)

I. EQUITY AND LIABILITIES	Notes	As At March 31,2016	As At March 31,2015
-		-	-
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	47,83,77,000	47,83,77,000
(b) Reserves and Surplus	2	77,75,97,668	78,42,18,797
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	1,10,63,842	1,24,34,659
(b) Deferred Tax Liabilities (Net)	4	1,15,26,722	1,27,85,285
(c) Other Long term liabilities			
(d) Long-term provisions			
<b>(4) Current Liabilities</b>			
(a) Trade Payables	5	10,70,10,299	10,86,83,713
(b) Other Current Liabilities	6	1,14,91,837	1,24,53,585
(c) Short-Term Provisions	7	2,82,43,776	2,75,91,439
(d) Short -term borrowings	8	48,54,901	52,81,622
<b>Total</b>		<b>143,01,66,045</b>	<b>144,18,26,100</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	9		
(i) Tangible Assets		64,04,983	88,03,232
(ii) Intangible Assets		4,40,36,532	5,24,50,232
(iii) Capital work-in-progress		4,32,23,366	4,32,23,366
(b) Other non-current Investment	10	1,47,28,500	1,47,28,500
(c) Other non-current assets		-	-
(d) Long-term loans and advances	11	106,55,48,939	106,54,37,613
<b>(2) Current Assets</b>			
(b) Inventories	12	65,60,592	65,60,592
(c) Trade receivables	13	24,39,56,752	23,99,14,957
(d) Cash and cash equivalents	14	14,00,008	12,16,326
(e) Short-term loans and advances	15	30,77,702	67,37,728
(f) Other current assets	16	12,28,671	27,53,554
<b>Total</b>		<b>143,01,66,045</b>	<b>144,18,26,100</b>

As per our report of even date attached.

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

**For and on behalf of the Board of Interworld Digital Ltd.**

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

Sd/-  
**(Peeyush Kumar Aggarwal)**  
**Director**  
**DIN : 00090423**

Sd/-  
**(Ajay Sharma)**  
**Director**  
**DIN : 03344008**

**Place: New Delhi**  
**Date: 30.05.2016**

Sd/-  
**Rachit Garg**  
**CFO**  
**PAN: AZSPG7226K**

# Interworld Digital Limited | 21st Annual General Meeting

**INTERWORLD DIGITAL LIMITED**  
CIN:L72900DL1995PLC067808

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

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARECH, 2016

(Amounts in Rs)

Particulars	Notes	As At March 31, 2016	As At March 31, 2015
<b>INCOME :</b>			
Revenue from operations	17	6,73,95,129	14,29,66,296
Other Income	18	-	7,16,004
<b>Total</b>		<b>6,73,95,129</b>	<b>14,36,82,300</b>
<b>EXPENSES :</b>			
Purchase of Stock-in-Trade & Service	19	5,88,24,746	11,42,79,060
Changes in inventories of Finished Goods,WIP & Stock	20	-	-25,34,205
Employee Benefit Expenses	21	11,03,272	66,80,289
Financial Costs	22	11,37,909	13,29,672
Depreciation and Amortization Expense	23	1,27,41,877	1,49,44,227
Other Administrative Expenses	24	14,67,017	44,93,517
<b>Total</b>		<b>7,52,74,821</b>	<b>13,91,92,560</b>
Profit before exceptional & extraordinary items & tax		-78,79,692	44,89,740
Exceptional Items		-	-
Profit before extraordinary items and tax		-78,79,692	44,89,740
Extraordinary Items		-	29,49,646
Profit before tax		-78,79,692	15,40,094
<b>Tax Eexpense:</b>			
(1) Provision for Current Tax		-	15,70,800
(2) Deferred tax provision		-12,58,563	-11,74,795
Profit(Loss) from the perid from continuing operations		-66,21,129	11,44,089
Tax expense of discountiued operations		-	-
<b>Profit/(Loss) for the period</b>		<b>-66,21,129</b>	<b>11,44,089</b>
<b>Earning per equity share:</b>			
(1) Basic		-0.01	0.00
(2) Diluted		-0.01	0.00

As per our report of even date attached.

1 to 36

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

**For and on behalf of the Board of Interworld Digital Ltd.**

Sd/-  
(Santosh Kumar)  
Partner  
M.No. 533944

Sd/-  
(Peeyush Kumar Aggarwal)  
Director  
DIN : 00090423

Sd/-  
(Ajay Sharma)  
Director  
DIN : 03344008

Place: New Delhi  
Date: 30.05.2016

Sd/-  
Rachit Garg  
CFO  
PAN: AZSPG7226K

# Interworld Digital Limited | 21st Annual General Meeting

## INTERWORLD DIGITAL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(Amounts in Rs.)

Particulars	As At March 31,2016	As At March 31,2015
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit before tax and extraordinary items	(7,879,692)	4,489,740
Adjustments for:		
Interest income	-	(600,000)
Depreciation	10,811,948	13,874,711
Interest & Finance Charges	1,137,909	1,329,672
Preliminary & Share Issue expenses written off	1,929,929	1,069,516
<b>Operating cash flow before changes in working capital</b>	<b>6,000,094</b>	<b>20,163,639</b>
Cash Flow in Working Capital Activities:		
(Increase)/Decrease in Sundry Debtors	(4,041,795)	(99,441,707)
(Increase)/Decrease in Inventories	-	(2,534,205)
(Increase)/Decrease in Loans & Advances	3,143,654	3,832,988
Increase/(Decrease) in Current Liabilities	(2,409,546)	112,291,866
<b>Cash provided by / (used in) operating activities</b>	<b>2,692,407</b>	<b>34,312,581</b>
Less: Income Tax Paid	-	1,570,800
<b>Net cash from operating activities</b>	<b>2,692,407</b>	<b>32,741,781</b>
<b>B. Cash Flow From Investing Activities:</b>		
Sale/(Purchase) of fixed assets	-	1,344,689
(Increase)/Decrease in Capital work in progress	-	-
(Increase)/Decrease in investments	-	(14,728,500)
Interest received	-	600,000
<b>Net cash outflow in investing activities</b>	<b>-</b>	<b>(12,783,811)</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	(1,137,909)	(1,329,672)
Repayment of Long Term Borrowings	(1,370,817)	(18,931,907)
Miscellaneous Expenditure	-	-
<b>Net cash inflow from financing activities</b>	<b>(2,508,725)</b>	<b>(20,261,579)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year [(A) + (B) + (C)]</b>	<b>183,682</b>	<b>(303,609)</b>
<b>Cash and Cash Equivalents:</b>		
<b>Cash and Cash Equivalent as at 01.04.2015</b>	<b>1,216,326</b>	<b>1,519,935</b>
<b>Cash and Cash Equivalent as at 31.03.2016</b>	<b>1,400,008</b>	<b>1,216,326</b>

**Notes :**

- 1 Comparative figures have been regrouped wherever necessary.
- 2 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
- 3 These earmarked account balance with banks can be utilised only for the specific identified purposes.

**For M/s. RMA & Associates**

**Chartered Accountants**

**Firm Regn. No. 000978N**

Sd/-

**Santosh Kuamr**

**Partner**

**M. No. 533944**

**Place: New Delhi**

**Dated: 30th May, 2016**

**For and on behalf of the Board of Interworld Digital Ltd.**

Sd/-

**(Peeyush Kumar Aggarwal)**

**Director**

**DIN : 00090423**

Sd/-

**(Ajay Sharma)**

**Director**

**DIN : 03344008**

Sd/-

**(Rachit Garg)**

**CFO**

**PAN: AZSPG7226K**

# Interworld Digital Limited | 21st Annual General Meeting

INTERWORLD DIGITAL LIMITED

CIN:L72900DL1995PLC067808

Notes on forming part of Financial Statements as at 31.03.2016

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>1</b>	<b>Share Capital</b>		
	Authorized Share Capital : 70,00,00,000 ( 70,00,00,000) Equity Shares of Re. 1/- each	<b><u>70,00,00,000</u></b>	<b><u>70,00,00,000</u></b>
	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 At March 31,2016	As At March 31,2015
At the beginning of the period	47,83,77,000	47,83,77,000
Issued during the period	-	-
At the end of the period	47,83,77,000	47,83,77,000

1. The Company has only one class of Equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share.

2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company.

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

Name of Shareholders	As At March 31,2016	As At March 31,2015
Govind Shivshankarlal Gupta	3,47,64,428(7.27%)	3,48,64,428(7.29%)
Peeyush Kumar Aggarwal	2,50,00,000(5.23%)	2,50,00,000(5.23%)

(Amount in Rs.)

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<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>
	Surplus During the year		
	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>
	Balance as per last financial statements	3,62,76,911	3,76,79,866
	Add: Profit during the year	-6,621,129	11,44,089
	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>2,96,55,782</b>	<b>3,62,76,911</b>
	<b>Total</b>	<b>77,75,97,668</b>	<b>78,42,18,797</b>

**Interworld Digital Limited | 21st Annual General Meeting**

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>3</b>	<b>Long Term Borrowings</b>		
	<b>Secured</b>		
	Kotak Mahindra Prime Limited ( Hypothycation of Vehicle)	5,63,842	14,51,659
	<b>Unsecured</b>		
	Loans from related parties (corporates)	5,00,000	9,83,000
	Loans from others	1,00,00,000	1,00,00,000
	<b>Total</b>	<b>1,10,63,842</b>	<b>1,24,34,659</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>4</b>	Deferred Tax Liabilities	1,15,26,722	1,27,85,285
	<b>Total</b>	<b>1,15,26,722</b>	<b>1,27,85,285</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>5</b>	Trade Payables	10,70,10,299	10,86,83,713
	<b>Total</b>	<b>10,70,10,299</b>	<b>10,86,83,713</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>6</b>	<b>Other Current Liabilities</b>		
	Security (Theatre & Video)	49,89,468	49,89,468
	Exp payable	1,64,383	4,25,923
	Other Advance	13,353	13,353
	Kotak Mahindra Prime Limited ( Hypothycation of Vehicle)	11,73,276	13,27,200
	Advance from Customers	51,51,357	56,97,641
	<b>Total</b>	<b>1,14,91,837</b>	<b>1,24,53,585</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>7</b>	<b>Short-Term Provision</b>		
	Roc Fee	55,97,309	55,97,309
	Service Tax, Tds Payable	1,91,34,612	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	15,70,800
	<b>Total</b>	<b>2,82,43,776</b>	<b>2,75,91,439</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>8</b>	<b>Short Term Borrowings</b>		
	<b>Secured</b>		
	Bank of India (OD A/c)	48,54,901	52,81,622
	<b>Total</b>	<b>48,54,901</b>	<b>52,81,622</b>

# Interworld Digital Limited | 21st Annual General Meeting

(Statement Showing Depreciation Forming Part of Financial Statement As On 31.03.2016 as per Companies Act,2013 )

## SCHEDULE- 9 FIXED ASSETS

(Amount in Rupees)

S. No.	Description	←-----GROSS BLOCK-----→				←-----DEPRECIATION/AMORTISATION-----→					←-----NET BLOCK-----→	
		Cost as on 1.4.2015	Addition during the year	Sales/adjust during the year	Total Cost as on 31.03.2016	Up to 31.03.2015	For the year	T/f to Reserve	Depreciat on Adjustmen t	Up to 31.03.2016	As on 31.03.2016	As on 31.03.2015
	<b>A. Tangible</b>											
1	Building	30,00,000	-	-	30,00,000	16,15,000	3,00,000	-	-	19,15,000	10,85,000	13,85,000
2	Computers	2,41,37,891	-	-	2,41,37,891	2,39,37,437	95,929	-	-	2,40,33,366	1,04,525	2,00,454
3	Furniture & Fixture	8,66,868	-	-	8,66,868	5,47,509	1,19,598	-	-	6,67,107	1,99,761	3,19,359
4	Office Equipment	32,79,533	-	-	32,79,533	21,52,065	4,26,398	-	-	25,78,463	7,01,070	11,27,468
5	Vehicles	49,45,447	-	-	49,45,447	21,63,902	11,41,577	-	-	33,05,479	16,39,968	27,81,545
6	Machinery and Plant	42,90,258	-	-	42,90,258	13,00,852	3,14,747	-	-	16,15,599	26,74,659	29,89,406
	<b>Sub-Total (A)</b>	<b>4,05,19,997</b>	<b>-</b>	<b>-</b>	<b>4,05,19,997</b>	<b>3,17,16,785</b>	<b>23,98,249</b>	<b>-</b>	<b>-</b>	<b>3,41,15,014</b>	<b>64,04,983</b>	<b>88,03,232</b>
	<b>B. Intangible</b>											
1	Softwares	12,77,11,133	-	-	12,77,11,133	7,52,90,901	83,83,700	-	-	8,36,74,601	4,40,36,532	5,24,20,232
2	Copy Right	3,00,000	-	-	3,00,000	2,70,000	30,000	-	-	3,00,000	0	30,000
	<b>Sub-Total (B)</b>	<b>12,80,11,133</b>	<b>-</b>	<b>-</b>	<b>12,80,11,133</b>	<b>7,55,60,901</b>	<b>84,13,700</b>	<b>-</b>	<b>-</b>	<b>8,39,74,601</b>	<b>4,40,36,532</b>	<b>5,24,50,232</b>
	<b>TOTAL (A+B)</b>	<b>16,85,31,130</b>	<b>-</b>	<b>-</b>	<b>16,85,31,130</b>	<b>10,72,77,686</b>	<b>1,08,11,948</b>	<b>-</b>	<b>-</b>	<b>11,80,89,615</b>	<b>5,04,41,515</b>	<b>6,12,53,464</b>
	Capital Work in Progress (including Advances on Capital Account)	4,28,49,310	-	-	4,28,49,310	-	-	-	-	-	4,28,49,310	4,28,49,310
	Development Exp.	3,74,056	-	-	3,74,056	-	-	-	-	-	3,74,056	3,74,056
	Computer Systems, Hardware and Networking ( IT Park - Advances)	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (C)</b>	<b>4,32,23,366</b>	<b>-</b>	<b>-</b>	<b>4,32,23,366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,32,23,366</b>	<b>4,32,23,366</b>
	<b>GRAND TOTAL(A+B+C)</b>	<b>21,17,54,496</b>	<b>-</b>	<b>-</b>	<b>21,17,54,496</b>	<b>10,72,77,686</b>	<b>1,08,11,948</b>	<b>-</b>	<b>-</b>	<b>11,80,89,615</b>	<b>9,36,84,881</b>	<b>10,44,76,830</b>
	Previous Year	124,26,05,909	1,31,70,311	104,40,21,724	21,17,54,496	3,97,88,250	1,38,74,711	25,47,044	29,32,339	10,72,77,667	10,44,76,830	

Note No.	Particulars	As At March 31,2016	As At March 31,2015
10	<b>Other non-current Investment</b> Trine Entertainment Limited (1472850 equity shares of Rs.10/- each full paid up)	1,47,28,500	1,47,28,500
	<b>Total</b>	<b>14,728,500</b>	<b>1,47,28,500</b>

Note No.	Particulars	As At March 31,2016	As At March 31,2015
11	<b>Long-term loans and advances</b> (Advance recoverable in cash or in kind or for value to be received) TDS/ Advance Tax/ Self Assessment tax	105,28,54,425 1,26,94,514	105,36,63,887 1,17,73,726
	<b>Total</b>	<b>106,55,48,939</b>	<b>106,54,37,613</b>

**Interworld Digital Limited | 21st Annual General Meeting**

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>12</b>	<b>Inventories</b>		
	Finished goods (Valued at Cost or NRV whichever is lower)	65,60,592	65,60,592
	<b>Total</b>	<b>65,60,592</b>	<b>65,60,592</b>

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>13</b>	<b>Trade receivables</b>		
	(Unsecured, Considered Good)		
	Outstanding for more than six months	24,39,56,752	14,33,02,438
	Others	-	9,66,12,519
	<b>Total</b>	<b>24,39,56,752</b>	<b>23,99,14,957</b>

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>14</b>	<b>Cash &amp; Cash Equivalent</b>		
	Cash on Hand	13,80,120	9,51,429
	Balance with Banks	19,888	2,64,897
	<b>Total</b>	<b>14,00,008</b>	<b>12,16,326</b>

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>15</b>	<b>Short-term loans and advances</b>		
	(unsecured, considered good )		
	(Advance recoverable in cash or in kind or for value to be received)	11,13,891	21,48,377
	Prepaid Expenses	71,573	60,232
	Advance to suppliers	2,56,695	28,93,576
	VAT Receivable	16,35,543	16,35,543
	<b>Total</b>	<b>30,77,702</b>	<b>67,37,728</b>

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>16</b>	<b>Other current assets</b>		
	(i) Advance to vat department	11,59,900	7,83,400
	(ii) recovable to Kotal Mahindra Prime Ltd.	68,771	40,225
		<b>12,28,671</b>	<b>8,23,625</b>
	(iii) Miscellaneous Expenditure to the extent not written off		
	Opening Balance	19,29,929	5,87,034
	Add: Addition during the year	-	24,12,411
		19,29,929	29,99,445
	Less: Written off during the year	19,29,929	10,69,516
	<b>Total</b>	<b>-</b>	<b>19,29,929</b>
		<b>12,28,671</b>	<b>27,53,554</b>

Note No.	Particulars	As At March 31,2016	As At March 31,2015
<b>17</b>	<b>Revenue from operations</b>		
	Sales & Services Charges	6,73,95,129	14,29,66,296
	<b>Total</b>	<b>6,73,95,129</b>	<b>14,29,66,296</b>

**Interworld Digital Limited | 21st Annual General Meeting**

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>18</b>	<b>Other Income</b>		
	Interest on Loans	-	6,00,000
	Miscellaneous Income	-	1,16,004
	<b>Total</b>	-	<b>7,16,004</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>19</b>	<b>Purchase of Stock-in-Trade</b>		
	Goods & Services	5,88,24,746	11,42,79,060
	<b>Total</b>	<b>5,88,24,746</b>	<b>11,42,79,060</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>20</b>	<b>Changes in inventories</b>		
	Opening Stock	65,60,592	40,26,387
	Closing Stock	65,60,592	65,60,592
	<b>Total</b>	-	<b>-2,534,205</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>21</b>	<b>Employee Benefit Expenses</b>		
	Salaries and other allowances	10,98,012	54,03,340
	Director's Remuneration	-	12,00,000
	Staff Welfare Expenses	5,260	76,949
	<b>Total</b>	<b>11,03,272</b>	<b>66,80,289</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>22</b>	<b>Financial Cost</b>		
	Bank Charges	28,060	1,24,279
	Interest	11,09,849	12,05,393
	<b>Total</b>	<b>11,37,909</b>	<b>13,29,672</b>

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>23</b>	<b>Depreciation and Amortization Expense</b>		
	Depreciation	1,08,11,948	1,38,74,711
	Share Issue Expenses written off	19,29,929	10,69,516
	<b>Total</b>	<b>1,27,41,877</b>	<b>1,49,44,227</b>



**Interworld Digital Limited | 21st Annual General Meeting**

<b>Note No.</b>	<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
<b>24</b>	<b>Other Administrative Expenses</b>		
	Advertisement Expenses	59,618	53,739
	AGM / EGM Expenses	62,430	65,488
	Auditors' Remuneration	57,250	76,967
	Business Promotion Expenses	-	3,34,148
	Conveyance Expenses	5,400	1,23,849
	Commission Expenses	62,467	1,00,615
	Fees & Subscription	3,80,559	3,07,138
	Insurance Expenses	83,916	1,78,343
	Legal & Professional Charges	1,24,351	3,99,154
	Miscellaneous Expenses	8,846	49,188
	Office Expenses	25,738	1,96,759
	Postage & Courier Expenses	76,872	2,00,254
	Printing & Stationery	28,382	74,168
	Repairs & Maintenance Expenses	1,40,564	2,52,654
	Telephone Expenses	22,953	4,58,313
	Travelling Expenses	1,69,784	10,72,450
	Vehicle Running & Maintenance Expenses	90,377	2,97,553
	Water & Electricity Expenses	67,510	2,52,737
	<b>Total</b>	<b>14,67,017</b>	<b>44,93,517</b>

**For and on behalf of the Board of Interworld Digital Ltd.**

Sd/-  
**(Peeyush Kumar Aggarwal)**  
**Director**  
**DIN : 00090423**

Sd/-  
**(Ajay Sharma)**  
**Director**  
**DIN : 03344008**

Sd/-  
**Rachit Garg**  
**CFO**  
**PAN: AZSPG7226K**

**INTERWORLD DIGITAL LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

**25. 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) Rules, 2014, (as amended) and the relevant provisions of the Companies Act, 2013.
- 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**

Schedule III notified under the Companies Act 2013, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Schedule III 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..

**(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.

## Interworld Digital Limited | 21st Annual General Meeting

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.

- **Contingent Liabilities**

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

26. 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.

27. Deferred Tax Assets & Deferred Tax Liabilities:

	<b>Amount in Rs.</b>		
<b>Particulars</b>	<b>Deferred Tax Liability as at 01.04.2015</b>	<b>Current Year Charge</b>	<b>Deferred Tax Liability as at 31.03.2016</b>
On account of difference Between W.D.V as on 31.03.2016 As per Income tax & Companies Act	1,27,85,285	(12,58,563)	1,15,26,722
Total	1,27,85,285	(12,58,563)	1,15,26,722

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

28. 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.

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

30. Contingent Liabilities not provided for Bank Guarantees.

31. The company had not paid service tax and filed returns from financial year 2011-12 to 2015-16.

## Interworld Digital Limited | 21st Annual General Meeting

32. 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.
33. The company has only one reportable segment.

34. **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

<b>Name of the party</b>	<b>Description of relationship</b>
Mr. Man Mohan Gupta	Managing Director
Mr. Peeyush Kumar Aggarwal	Director
Mr. Ajay Sharma	Director
Mr. Madhu Sharma	Director
Mr. Soban Singh Aswal	Director
Mr. Narender Kumar Baid	Company Secretary
Mr. Rachit Garg	Chief Financial Officer

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

<b>Name of the party</b>	<b>Description of relationship</b>
Mr. Narender Kumar Baid	Key Management Personnel

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

Mr. Narender Kumar Baid	Salary	1,05,000/-
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35. Previous year figures have been regrouped / rearranged / reconsidered, wherever considered necessary.
36. As per information available with the company, there are no outstanding dues to Small Scale Ancillary Industrial Undertakings as at 31.03.2016.

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

**for and on behalf of the Board of Interworld Digital Ltd.**

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

Sd/-  
**(Peeyush Kumar Aggrawal)**  
Director  
DIN : 00090423

Sd/-  
**(Ajay Sharma)**  
Director  
DIN : 03344008

Sd/-  
**(Rachit Garg)**  
CFO  
PAN: AZSPG7226K

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2016

# Interworld Digital Limited | 21st Annual General Meeting

## Interworld Digital Limited

**CIN: L72900DL1995PLC067808**

Regd. Office: 701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001  
Phone: 011-43571044-45, Fax : 011-43571047  
[info@interworld.co.in](mailto:info@interworld.co.in), Website: [www.interworld.co.in](http://www.interworld.co.in)

## 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.]

To support this green initiative in full measure, members who have not registered their E-mail address and PAN Number so far, are requested to register their E-mail address and PAN Number along with self attested copy of their PAN Card.

Best Regards,

Sd/-

Shweta Chawla  
Company Secretary

### 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.:.....

PAN: .....

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 | 21st Annual General Meeting

## Interworld Digital Limited

**CIN: L72900DL1995PLC067808**

Regd.Office:701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001  
Phone: 011-43571044-45, Fax : 011-43571047  
[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 21<sup>st</sup> Annual General Meeting of the Company, to be held on Friday, the 30th day of September, 2016 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.

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## Interworld Digital Limited

**CIN: L72900DL1995PLC067808**

Regd.Office:701, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001  
Phone: 011-43571044-45, Fax : 011-43571047  
[info@interworld.co.in](mailto:info@interworld.co.in), Website: [www.interworld.co.in](http://www.interworld.co.in)

### 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]

<b>Name of the Member (s):</b> .....
<b>Registered address:</b> .....
<b>E-mail Id:</b> ..... <b>Folio No. /DP ID &amp; Client ID:</b> .....

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 21<sup>st</sup> Annual General Meeting of the Company, to be held on Friday, the 30th day of September, 2016 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:

## Interworld Digital Limited | 21st Annual General Meeting

Res. No.	Description	For	Against
1.	Adoption of Financial Statements, Board and Auditors' Report for the Financial Year 2015-16.		
2.	Appointment of Ms Madhu Sharma (DIN: 0697852) as on Independent Director of the Company.		
3.	Appointment of Mr. Peeyush Kumar Aggarwal (DIN: 00090423) as a Director liable to retire by rotation.		
4.	Ratification of Appointment of Statutory Auditors of the Company for the Financial Year 2016-17.		

Signed this ..... day of ..... 2016. Signature of Shareholder:.....

<b>Affix Revenue Stamp</b>
------------------------------------

**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.

**If Undelivered, Please Return to:**

**INTERWORLD DIGITAL LIMITED**

CIN : L72900DL1995PLC067808

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

Tel.: 91-11-43571045

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