

IRIS MEDIAWORKS LIMITED



ANNUAL REPORT

2011-12

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BOARD OF DIRECTORS

Mr. Rajendra Karnik

Mr. Kunal Ranjan

Mr. Bimal Kamdar

Mr. Rakesh Ganesh Naik

REGISTERED OFFICE

Unit no. 32/F, Laxmi Vijay Industrial,
Co-op Society Ltd., Laxmi Industrial Estate,
Link Road, Andheri (W), Mumbai- 400053.

AUDITORS

D. P. Agarwal & co.

Chartered Accountants

4-B, Bilqees Mansion, 4th Floor, 261/263,

Dr. D. N. Road, Fort, Mumbai- 400 001.

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited

E-2, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (W). Mumbai-400072.

BANKERS

HSBC bank

INDUSLIND bank

KOTAK MAHINDRA bank

ING VYSYA bank

YES bank

BHARAT CO-OP Bank

NOTICE

CALLING ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the members of the Company will be held on Friday, September 28, 2012 at 9.00 a.m. at its Registered Office situated at Unit No. 32/F, Laxmi Industrial Estate, Shree Laxmi Vijay Industrial Premises Co-op Society Ltd, Link Road, Andheri (West), Mumbai 400053, to transact the following business:

AS ORDINARY BUSINESS

Item No. 1

To consider and adopt the Balance Sheet as at March 31, 2012 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.

Item No. 2

To appoint a Director in place of Mr. Kunal Ranjan, who retires by rotation, and being eligible seeks re-appointment.

Item No. 3

To re-appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

"RESOLVED THAT M/s. D. P. Agarwal & Associates, Chartered Accountants be and are hereby appointed as Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorized to determine the remuneration of the Statutory Auditors and the manner of its payment."

AS SPECIAL BUSINESS

Item No. 4

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

“RESOLVED THAT Mr. Rakesh Naik, who was appointed by the Board of Directors as an Additional Director of the Company on June 14, 2012 and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company who is liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such, acts, deeds, matters and things as may be deemed expedient or necessary to give effect to the aforesaid resolution.”

By order of the Board of Directors

Sd/-

(Rajendra Karnik)

Chairman and Managing Director

Registered office:

Unit No. 32/F, Laxmi Industrial Estate,
Shree Laxmi Vijay Industrial Premises
Co-op Society Ltd, Link Road,
Andheri (West), Mumbai 400053

Place: Mumbai

Date: 1st September, 2012

NOTES:

1. 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/herself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. Corporate members intending to depute their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
4. A blank Attendance Slip is annexed to the Proxy Form. Members/proxies are requested to fill in their particulars on the attendance slip, affix their signature in the appropriate place and hand it to Company's officials/Registrars at the entrance of the meeting venue.
5. Pursuant to Section 154 of Companies Act, the Register of Members and Share Transfer Books will be closed from Tuesday, September 25, 2012 to Thursday, September 27, 2012 (both days inclusive), for the purpose of Annual General Meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their updated e-mail IDs, bank details, Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records that will help the Company and their RTA's to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to their RTA, at E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072. Contact No. 91-22-40430200, Fax No. 91-22-28475207.

7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with the physical shares and for ease in portfolio management. Members can contact with RTA Bigshare Services Private Limited in this regard.
8. Members intending to seek explanation/clarification/copy of any document at the meeting about the information contained in the Annual Report are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available.
9. As per the Circular No. MRD/Dop/Cir-5/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Company Registrars.
10. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paperless compliance by the Companies; vide its circular No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their Email address or changes, if any, therein with the Company.

Pursuant thereto, we once again invite those members who have not registered their e-mail address to participate in the Green Initiative by registering their e-mail address with the Company for the purpose of service of documents namely Annual Report, Notice of General Meeting, etc. by e-mail.

ANNEXURE TO THE NOTICE

INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Item No. 2 – Re-appointment of Mr. Kunal Ranjan as Director of the Company:

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Kunal Ranjan retires by rotation in the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Details of Mr. Kunal Ranjan, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, relating to Corporate Governance, are given in the statement attached below.

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

Item No. 4 – Appointment of Mr. Rakesh Naik as a Director of the Company:

Mr. Rakesh Naik was co-opted as an Additional Director of the Company with effect from June 14, 2012. As per Section 260 of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. Rakesh Naik holds office of Director up to the ensuing Annual General Meeting and is eligible for appointment as a Director liable to retire by rotation. The Company has received notice in writing proposing the candidature of Mr. Rakesh Naik for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

Details of Mr. Rakesh Naik, pursuant to the requirement of the Listing Agreement, are given in the statement attached below.

None of the Directors, except Mr. Rakesh Naik is, in any way, concerned or interested in the resolution set out at item no. 4 of the notice.

The resolution mentioned in item no. 4 of the notice is recommended for your approval.

By order of the Board of Directors

Sd/-

Place: Mumbai

(Rajendra Karnik)

Date: 1st September, 2012

Chairman and Managing Director

DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present the 20th Annual Report together with the audited statement of accounts of the Company for financial year ended March 31, 2012.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2012 is summarized below:

	Financial Year ended (12 months) March 31, 2012	Financial Year ended (9 months) March 31, 2011
	Rs.	Rs.
Income From Operations & Other Income	573,727,287	698,826,675
Less: Expenses	574,159,933	696,929,940
Profit/ Loss before prior period adjustments and Depreciation	(432,646)	1,896,735
Less: Depreciation	7,879,449	5,590,091
Profit before Tax	(8,312,095)	(3,693,356)
Deferred tax charges	(248,243)	1,091,771
(Loss) After Tax	(8,063,852)	(4,785,127)

FINANCIAL PERFORMANCE

The year 2012- 13 has been a challenging year for the Company's operations as it witnessed a pressure on its margins on account of a decline in its overall revenues. However at the same time, the Company succeeded in its efforts of achieving a reduction in the overall expenditure by Rs. 122,770,007 i.e. about 17.61% from the preceeding financial year. Further this tough business scenario has encouraged the Company to undertake a **SWOT analysis** of its operations and thus process of reviewing of the systems and processes across various departments has been initiated with a view

to identify possible areas of lacunas so that the necessary measures can be undertaken to fill the same.

Your Directors are optimistic that with the melting down of recessionary turmoil and with collective efforts of all the stakeholders, the Company would emerge as a strong player in the years to come.

CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from **Channel Guide India Limited** to **Iris Mediaworks Limited**, for which members approval has been taken in the previous Annual General Meeting held on **30th September, 2011**.

SHIFT IN REGISTERED OFFICE OF THE COMPANY

The Registered office of the Company has been shifted with effect from 15th May, 2012, from,

A-203, Green Ville, Lokhandwala Complex, Andheri (West), Mumbai – 400053

To

**Unit 32/F,Laxmi Vijay IndustrialCo-op Society Ltd, Laxmi Industrial Estate,Link Road,
Andheri (West), Mumbai – 400053**

The Shareholders are requested to take a note of the same and send all the communications to the Company on the aforesaid new address.

CAPITAL EVOLUTION

Consequent to the Approval of Shareholders in the previous Annual General Meeting held on 16th November, 2010, for allotment of 12,00,00,000 Convertible Equity Warrants, on Preferential basis, the Company on receipt of the upfront money allotted 9,04,25,000 Convertible Equity Warrants to the allottees on 23rd December, 2010.

In accordance with the relevant provisions of the SEBI (ICDR) Regulations, 2009, the Company on receipt of the balance consideration from the allottees allotted Equity Shares in two tranches:

- 5,79,85,000 Equity Shares were allotted in the Board Meeting held on 23rd October, 2011.
- 3,07,00,000 Equity Shares were allotted in the Board Meeting held on 6th December, 2011; to the allottees who tendered the balance consideration.

Further, on failure to pay the share application money towards conversion of warrants, 17,40,000 Convertible Equity Warrants, the 25% upfront money received on such warrants was forfeited, and the warrants stood lapsed as on 22nd June, 2012. The resolution to this effect was passed in the Board Meeting held on 12th July, 2012.

Thus, as on 31st March, 2012, the Paid-up Equity Share Capital of the Company reflected as Rs. 49,98,10,550/- divided into 9,99,62,110 Equity Shares of Rs. 5/- each.

CHANGE OF AUDITORS

In order to fill the casual vacancy caused due to the Resignation of M/s. Navin Nishar and Associates, Chartered Accountants, your company appointed M/s. D. P. Agarwal & Co. as the Statutory Auditors of the Company in the Extra-Ordinary General Meeting held on 17th April, 2012, to hold office up to the conclusion of ensuing Annual General Meeting of the Company.

M/s D. P. Agarwal & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and have expressed their willingness to continue as Auditors, if re-appointed. The Board commends re-appointment of the firm as Statutory Auditor.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from the Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

AUDITORS' REPORT

The Auditors' Report to the shareholders on the Accounts of the Company for the financial year ended March 31, 2012 does not contain any qualification.

The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

DIVIDEND

Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No dividend has therefore been recommended for the year ended March 31, 2012.

DIRECTORS

- Section 255 and 256 of the Companies Act, 1956 read together with the Articles of Association of the Company provides that at least two- third of our Directors shall be subject to retirement by rotation out of which one- third must retire from the office of directorship at each Annual General Meeting of the shareholders.

Furthermore all the retiring directors are permitted to be re- appointed as the directors, provided they do not incur any disqualification and are willing to be re- appointed.

In accordance with the aforesaid provisions, **Mr. Kunal Ranjan**, is liable to retire by rotation at the forthcoming Annual General Meeting and is also eligible for re- appointment. Thus, the Board requests you to accord your consent to the re- appointment of **Mr. Kunal Ranjan**.

- Pursuant to the provisions of Section 260 of the Companies Act, 1956, **Mr. Rakesh Naik** was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on June 14, 2012.

In terms of the provisions of the said section, **Mr. Rakesh Naik** would hold office till the date of the forthcoming Annual General Meeting of the Company. All the requisite notices proposing his candidature for appointment as Director of the Company has been received by the Company and accordingly necessary resolution

has been included in the notice calling Annual General Meeting, for his appointment as a Director of the Company.

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

NUMBER OF COMPANIES IN WHICH AN INDIVIDUAL MAY BECOME A DIRECTOR

The Company has apprised its Board Members about the restriction on number of the directorships and expects in due course to comply with the same.

RESPONSIBILITIES OF BOARD

Presentation to the Board in areas such as financial results, budgets, business prospects etc., give the Directors, an opportunity to interact with senior managers and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors relating to its business through formal/informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/discharge his duties. The Directors are given time to study the data and contribute effectively to Board discussions. The system of risk assessment and compliance with statutory requirements are in place.

CORPORATE GOVERNANCE

The Company has adopted Corporate Governance Policies and Code of Conduct which sets out the processes and policies followed by the Company.

In terms of Clause 49 of the Listing Agreement, a confirmation from the Managing Director of the Company regarding compliance with the Code by all the Directors and senior management forms part of this Annual Report.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report. A Certificate from the Auditors of the Company M/s. D. P. Agarwal & Co., Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Revised Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) 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 as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

INTERNAL CONTROL

The Board ensures the effectiveness of the Company's system of internal controls including financial, operational and compliance controls and risk management controls.

PARTICULARS OF EMPLOYEES

No employees comes under the category of being reported under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended therein by Ministry of Corporate Affairs notification dated March 31, 2011.

HUMAN RESOURCE MANAGEMENT

Your Company is committed in providing leadership and direction to its employees through the development and support of employee friendly policies and procedures that contribute to an individual's personal and professional growth.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

IRIS believes that Company's culture based on core values not only helps our business, but also defines the role that we can and should play in society.

- We identify and act upon new opportunities to apply our technology and expertise to societal problems.
- We scale our existing programs and initiatives to achieve maximum benefit.
- We empower our employees and others to serve their communities.

- We integrate corporate citizenship and social responsibility into every aspect of our Company.

LISTING

Stock Exchange	Address	Scrip Code
The BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	531337

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff during the year.

For and on behalf of the Board of Directors

Sd/-

Rajendra Sharad Karnik

Chairman and Managing Director

Sd/-

Kunal Ranjan

Director

Place : Mumbai

Date : 1st September, 2012

Annexure to the Directors' Report

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

Iris Mediaworks Limited (IRIS) is committed to strong corporate governance and believes in its indispensability in investor protection. The Company's compliance with the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited is given herein below:

A. MANDATORY REQUIREMENTS

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IRIS believes in adopting good Corporate Governance in its all spheres of activities and follows it in true sense. Corporate Governance is about commitment to values and systematic ethical business control. This includes organization's corporate structures, cultures, policies and the manner in which it deals with various stakeholders, consumers, Govt. authorities, etc. Good transparent Corporate Governance ensures that the Company is managed and monitored in a responsible manner geared towards value creation.

II. BOARD OF DIRECTORS

Composition and size:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board functions of governance from management. Presently, the Board consists of four members – two Executive Directors and two Non-Executive Independent Directors.

The day-to-day management of the Company is conducted by the Chairman & Managing Director subject to the supervision and control of the Board of Directors.

The Directors are not related to each other in terms of the definition of "relative" under the Companies Act, 1956.

None of the Directors on the Board is a member on more than 10 Committees (as specified in Clause 49), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The Composition of the Board of Directors, the number of other Directorship and Committee position held by each Director as on 31.03.2012 is as under:

Name of Director	Category of Directorship	Number of Directorship in other companies #	Number of Chairmanship/Membership in committees of other companies ##	
			Chairman	Member
Rajendra Sharad Karnik	Managing Director	NIL	NIL	NIL
Kunal Ranjan	Non-executive, Independent Director	NIL	NIL	NIL
Bimal Kamdar	Non-executive, Independent Director	1	NIL	NIL
Rakesh Ganesh Naik@	Executive Additional Director	1	NIL	NIL
Ajay Pawar*	Executive Director	0	0	0
Nitin Bhatkar**	Whole-Time Director	0	0	0
Vinod Shinde***	Non-Executive, Independent Director	0	0	0

@**Mr. Rakesh Naik** was appointed as an Additional Executive Director on the Board of the Company on **14th June, 2012.**

* **Mr. Ajay Pawar** resigned from the Board w.e.f 12th June, 2012, and the resolution to that effect was passed in the Board meeting held on **14th June, 2012.**

****Mr. Nitin Bhatkar** resigned from the Board w.e.f 12th June, 2012 and the resolution to that effect was passed in the Board meeting held on **14th June, 2012.**

*** **Mr. Vinod Shinde** resigned from the Board w.e.f **20th March, 2012** and the resolution to that effect was passed in Board Meeting held on **23rd March, 2012.**

Excluding Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.

Includes only Audit Committee and Shareholders' / Investors' Grievance Committee.

Board Meeting Details

During the year 8 Board Meetings were held and the gap between two Board Meetings did not exceed four months.

The dates of Board meetings are as follows: 13th May, 2011, 12th August, 2011, 1st September, 2011, 12th October, 2011, 14th November, 2011, 6th December, 2011, 13th February, 2012 and 23rd March, 2012.

Attendance of each Director at the Board Meetings in financial year 2011-2012 and at the last Annual General Meeting

Name of the Director	No. of Board Meeting Held During the year	No. of Board Meeting Attended	Attendance at the last AGM held on September 30, 2011
Rajendra Sharad Karnik	8	8	Yes
Kunal Ranjan	8	8	Yes
Bimal Kamdar	8	8	No

Rakesh Ganesh Naik#	8	0	No
Ajay Pawar*	8	8	Yes
Nitin Bhatkar**	8	8	Yes
Vinod Shinde***	8	7	Yes

@**Mr. Rakesh Naik** was appointed as an Additional Executive Director on the Board of the Company on **14th June, 2012.**

* **Mr. Ajay Pawar** resigned from the Board w.e.f 12th June, 2012, and the resolution to that effect was passed in the Board meeting held on **14th June, 2012.**

****Mr. Nitin Bhatkar** resigned from the Board w.e.f 12th June, 2012 and the resolution to that effect was passed in the Board meeting held on **14th June, 2012.**

*** **Mr. Vinod Shinde** resigned from the Board w.e.f **20th March, 2012** and the resolution to that effect was passed in Board Meeting held on **23rd March, 2012.**

III. CODE OF CONDUCT

All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2012. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

IV. BOARD COMMITTEES

Currently, the Board has three Committees viz., the Audit Committee, the Shareholders/Investors Grievance Committee and Remuneration Committee. The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

Audit Committee

The constitution of Audit Committee is in conformation with the requirements of Section 292A of the Companies Act, 1956 and also as per the requirements of Clause 49 (II)(A) of the Listing Agreement.

Powers of the Audit Committee

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice; and

The terms of reference of the Audit Committee are as under:

- a) Oversight of the Company's financial reporting process and the disclosures of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of statutory auditors, fixation of audit fees and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliances with Listing Agreement and other legal requirements concerning financial statements;
 - any related party transactions.
- d) Reviewing with the management matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- e) Discussion with Statutory Auditors before the audit commences about the nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.

- f) Reviewing of management letters issued by the statutory auditor.
- g) Reviewing the Company's financial and risk management policies.
- h) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- i) Seek assistance from the Statutory Auditors in such areas and in such manner as desired by the Audit Committee from time to time.
- j) Reviewing the functioning of the Whistle Blower mechanism.
- k) Reviewing with the Management, the quarterly financial statements before submission to the Board of Directors for approval.

Mr. Kunal Ranjan, Chairman of the Audit Committee, was present at the last Annual General Meeting of the Company.

As on 31st March, 2012, the Audit Committee of the Board comprised of four (4) members, two of them being Independent Directors. All members are financially literate and have relevant finance and/or audit exposure.

The Audit Committee met five times during the Financial Year 2011-12 on 9th May, 2011, 8th August, 2011, 22nd August, 2011, 11th November, 2011 and on 10th February, 2012. The quorum as required under Clause 49 (II)(B) was maintained at all the Meetings.

The names of the Directors who are members of the Audit Committee and their attendance at Audit Committee Meetings are given below:

Name of Director & Category	No. of Meeting Attended
Mr. Kunal Ranjan (Chairman) (Non Executive) (Independent)	5
Mr. Rajendra Karnik (Executive Director)	5
Mr. Ajay Pawar (Executive Director)*	5

Mr. Bimal Kamdar(Non-Executive & Independent Director)	5
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* **Mr. Ajay Pawar** resigned from the Board w.e.f 12th June, 2012, and the resolution to that effect was passed in the Board meeting held on **14th June, 2012**.

Shareholders/ Investors' Grievance Committee

The Shareholders/ Investors' Grievances Committee consist of four Directors as on the financial year ended 31st March, 2012, viz.; Mr. Kunal Ranjan, Chairman, Mr. Rajendra Karnik, Mr. Ajay Pawar and Mr. Bimal Kamdar as Members. The Company has appointed Bigshare Services Private Limited to act as Registrar and Share Transfer Agent of the Company.

The Committee, inter alia, approves issue of duplicate certificates and reviews all matters connected with transfer of securities of the Company. The Committee also monitors redressal of investor's grievances.

The Committee met four times during the Financial Year 2011-12 on 9th May, 2011, 8th August, 2011, 11th November, 2011 and on 10th February, 2012.

Attendance at the meeting of the Shareholders/ Investors' Grievances Committee held during 2011-2012.

Members	Number of Meetings Held during the Year	Number of Meetings Attended
Shri. Kunal Ranjan	4	4
Shri. Rajendra Karnik	4	4
Shri. Ajay Pawar*	4	4
Shri. Bimal Kamdar	4	4

* **Mr. Ajay Pawar** resigned from the Board w.e.f 12th June, 2012, and the resolution to that effect was passed in the Board meeting held on **14th June, 2012**.

Remuneration Committee

The Committee is responsible to determine on behalf of the Board and Shareholders, the Company's policy on specific remuneration packages for executive, pension rights and any compensation payment.

Remuneration Committee generally decides and makes recommendation to the Board of Directors about the remuneration to be paid to the Directors and other key managerial personnel of the company.

The committee's recommendations are subject to the approval of the members of the company.

The Remuneration policy is designed keeping in mind the statutory requirements as prescribed in Companies Act, 1956 and the Committee is responsible to ensure that the remuneration paid is within the prescribed limits. Further, the remuneration paid is aligned to the performance of the Company and reviewed from time to time.

The Remuneration Committee comprises of four directors viz. Mr. Kunal Ranjan, Chairman, Mr. Rajendra Karnik, Mr. Ajay Pawar and Mr. Bimal Kamdar

Although the Committee did not meet during the Financial Year 2011-2012, the Members held discussions amongst themselves and made appropriate recommendations to the Board.

V. POSTAL BALLOT

The Company had not conducted any Postal Ballot during the year and there is no resolution proposed to be passed by postal ballot at the ensuing Annual General Meeting.

VI. DISCLOSURES

- a) **Disclosure of Accounting Treatment:** The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

b) **Risk Management:** The Company has laid down procedures to inform the Board Members about the Risk Assessment and Minimization Procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation processes being taken up by them.

c) **Disclosures by the Management.**

The Management of the Company has made disclosures to the Board relating to all the material, financial and commercial transactions stating that they did not have personal interest that could result in a conflict of interest of the Company at large.

VII. MEANS OF COMMUNICATION

a) **Quarterly Results**

Quarterly Results are published in Free Press Journal, English daily newspaper circulating in substantially the whole of India and in Navshakti, Marathi vernacular daily newspaper.

b) **Media Releases and Presentation**

Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination.

c) **Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

d) **Designated email-id**

The Company has also designated the email-id corp.iris@gmail.com for investor servicing.

e) **Soft Copies**

As you aware, the Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) by allowing paperless compliances by companies through electronic mode. Thus, companies are now permitted to send various notices/documents, including Annual Reports to its shareholders, through electronic mode. We request all shareholders to be a part of this “Green Initiative” and please update your Email IDs for all future correspondence with your respective DP’s (for shares held in Demat form) or with our RTA agents, Bigshare Services Private Limited by sending a mail to investor@bigshareonline.com.

PARTICULARS OF THE PAST THREE ANNUAL GENERAL MEETING

a) Location, date and time of Annual General Meetings held during the last 3 years

Year	Location	Date	Time
2008-09	A-203, 2 nd Floor, Greenville, Lokhandwala Complex, Andheri (W), Mumbai- 400 053	17 th August, 2009	4.00 p.m.
2009-10	A-203, 2 nd Floor, Greenville, Lokhandwala Complex, Andheri (W), Mumbai- 400 053	16 th November, 2010	4.30 p.m.
2010-11	A-203, 2 nd Floor, Greenville, Lokhandwala Complex, Andheri (W), Mumbai- 400 053	30 th September, 2011	9.00 a.m.

b) No Extra-Ordinary General Meeting of the shareholders was held during the year.

c) No Postal Ballot was conducted during the Financial Year 2011-12. None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

d) Special Resolutions passed in previous 3 Annual General Meetings :

Meeting Dates	Resolution
17th August, 2009	<ul style="list-style-type: none"> • To appoint Mr. Rajendra Sharad Karnik as the Managing Director of the Company for Period of 5 yrs w.e.f. 1st September, 2009 on a remuneration of Rs. 75000/- p.m. • To appoint Mr. Nitin Kumar Bhatkar as the Whole-time Director of the Company for period of 5 yrs w.e.f. 1st

	<p>September, 2009 on a remuneration of Rs. 50000/- p.m.</p> <ul style="list-style-type: none"> • Alteration in Object Clause of the Memorandum of Association by shifting existing other object clause C(186) to (189) to the Main Object Clause III(1) to (4) and the existing main object Clause III A(1) and (2) be shifted under the head Other Object Clause after the last Clause 185.
16th November, 2010	<ul style="list-style-type: none"> • Alteration in Articles of Association of the Company subsequent to the increase in Authorized Share Capital of the Company from Rs. 11 Crores to 70 Crores. • Resolved to create, offer, issue, allot, and deliver, on preferential basis upto 12,00,00,000 (Twelve Crores) to prospective investors of the company or any of its nominee or affiliates.
30th September, 2011	<ul style="list-style-type: none"> • Commencement of Business as mentioned in Clause 92 and Clause 133 under the other object clause of the Memorandum of Association of the Company, pursuant to section 149(2A) of the Companies Act, 1956. • Change of name of the Company from “Channel Guide India Limited” to “Iris Mediaworks Limited”.

VIII. GENERAL SHAREHOLDER INFORMATION

AGM : Date time, and venue	Friday, 28 th September, 2012, 9.00 a.m. at the Registered Office of the Company at Unit 32/F, Laxmi Vijay Industrial Co-op Society Ltd, Laxmi Industrial Estate, Link Road, Andheri (West), Mumbai – 400053
Financial Year	1 st April, 2011 to 31 st March, 2012
Book Closure Dates	25 th September, 2012 to 27 th September, 2012 (both days inclusive)

Financial Calendar Period (tentative) - Quarter ending 30 th June, 2012 - Quarter ending 30 th September, 2012 - Quarter ending 31 st December, 2012 - Quarter ending 31 st March, 2013	Board Meeting to approve quarterly financial results - Second week of August, 2012 - Second week of November, 2012 - Second Week of February, 2013 - Within 60 days from the year end date.
Registered Office	Unit 32/F, Laxmi Vijay Industrial Co-op Society Ltd, Laxmi Industrial Estate, Link Road, Andheri (West), Mumbai – 400053
Listing of Equity Shares	BSE Limited, Mumbai
Listing Fees	Listing fee as per prescribed have been paid to the Stock Exchange up to 31 st March, 2013.
Stock Code and Demat ISIN No.	Stock Code- 531337 ISIN- INE974C01022
Share Registrar and Transfer Agent	Bigshare Services Private Limited E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai- 400 072 Tel No: 91-22-2847 0652 Fax No: 91-22-2847 5207 E-mail: investor@bigshareonline.com Website: www.bigshareonline.com
Address of Regulatory Authority	Securities and Exchange Board of India Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel No: 91-22-26449000/40459000 Fax No: 91-22-26449019-22/40459019-22 E-mail: sebi@sebi.gov.in

Depository for Equity Shares-India	National Securities Depository LTD Trade World, A wing, 4 th & 5 th Floors, Kamala Mills Compound, Lower Parel, Mumbai 400013 Tel No: (022) 2499 4200 (60 lines) Fax No: (022) 2497 6351 E-mail: info@nsdl.co.in Central Depository Services (India) Limited 17 th Floor, P J Towers, Dalal Street, Fort, Mumbai 400001 Tel No: (022) 2272 3333
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IX. SHARE TRANSFER SYSTEM

The Company's Registrars and Share Transfer agent, M/s. Bigshare Services Private Limited, processes shares sent for transfer/transmission, etc. and ensures that the share transfers/transmissions, etc. are effected within stipulated time. Transfers/transmissions which are complete in all respects are processed and the certificates in respect thereof are returned to the lodger/shareholder within 15 days of lodgments.

X. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. NSDL and CDSL. Equity Shares of the Company representing 8.07% of the Company's equity share capital are dematerialized as on March 31, 2012. The Company continues to facilitate requests for dematerialization of shares on a regular basis and the request can be routed through our RTA agent M/s. Bigshare Services Private Limited. Under the Depository system, the International Securities Identification Number (ISIN) allotted to our shares is INE974C01022.

XI. PERMANENT ACCOUNT NUMBER (PAN) FOR TRANSFER OF SHARES IN PHYSICAL FORM MANDATORY

SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

XII. STOCK PERFORMANCE

Market Price Data – Bombay Stock Exchange Limited

Month	Bombay Stock Exchange Limited (in Rs.)	
	High	Low
April 2011	16.95	11.17
May 2011	12.55	10.99
June 2011	13.00	10.34
July 2011	11.90	8.60
August 2011	10.00	6.42
September 2011	7.06	5.06
October 2011	6.40	4.53
November 2011	10.16	6.45
December 2011	9.04	7.69
January 2012	8.85	6.75
February 2012	9.10	7.57
March 2012	8.20	5.97

XIII. DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2012

Shareholding of Nominal (Rs.)	No. of Shareholders	Percentage	Share Amount (Rs.)	Percentage of total amount
1-5000	3269	78.92	5303560	1.06
5001-10000	352	8.50	2966830	0.59

10001-20000	187	4.51	2854750	0.57
20001-30000	103	2.49	2644280	0.53
30001-40000	31	0.75	1129390	0.23
40001-50000	43	1.04	2059230	0.41
50001-100000	55	1.33	3933175	0.79
100001-999999999	102	2.46	478919335	95.82
Total	4142	100.00	499810550	100.00

XIV. CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2012

Category	No. of Shareholders	No. of Shares Held	% of Shareholding
Clearing Member	6	22481	0.02
Corporate Bodies	140	72075933	72.10
Directors Relatives	1	12187	0.01
Non Resident Indians	16	50284	0.50
Promoters	3	1827110	1.83
Public	3976	25974115	25.98
Total	4142	99962110	100.00

XV. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

Category of Shareholder	No. of Shares	% of Shareholding
(A) Shareholding of Promoter Group		
(1) Indian		
Individuals	1827110	1.83
Director/ Promoters and their relatives	12187	0.01
(2) Foreign	-	-
Sub Total (A)	1839297	1.84
(B) Public Shareholding	-	-
(1) Institutions	-	-
(2) Non-Institutions		
Bodies Corporate	72075933	72.10

Individuals		
Individual shareholders holding nominal share capital up to Rs. 1 lakh	3781940	3.78
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	22192175	22.20
Any Others (Specify)		
Clearing Members	22481	0.02
Non Resident Indians	50284	0.05
Sub Total (B)	98122813	98.16
Total (A)+(B)	99962110	100.00
(C) Shares held by Custodians and against which DRs have been issued		
(1) Promoter and Promoter Group	-	-
(2) Public	-	-
Sub Total(C)	-	-
Total (A)+(B)+(C)	99962110	100.00

XVI. ADDRESS FOR CORRESPONDENCE

Iris Mediaworks Limited

Unit 32/F, Laxmi Vijay Industrial Co-op Society Ltd,
Laxmi Industrial Estate, Link Road,
Andheri (West), Mumbai – 400053

XVII. ADOPTION OF NON-MANDATORY CLAUSES

- a) **Whistle Blower Policy:** The Company has a whistle blower mechanism wherein the employees can approach the management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Iris Code of Conduct, which requires every employee to promptly report to the management any actual or possible violation of the Code

or an event he becomes aware of that could affect the business or reputation of the Company. The disclosure reported are addressed in the manner and within the time frames prescribed in the policy. Further, the said policy has been disseminated within the organization.

- b) **Remuneration Committee:** The Company has constituted a non- mandatory committee under the name of “remuneration Committee in order to recommend the remuneration packages for executive and non- executive directors. The detailed discussion for the same has already been provided under the section of Committees for your reference.

For and on behalf of the Board of Directors

Sd/-

Rajendra Sharad Karnik

Chairman and Managing Director

Sd/-

Kunal Ranjan

Director

Place : Mumbai

Date : 1st September, 2012

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Members and Investors are cautioned that the Management Discussion and Analysis Report presented herein below contains the Company's objectives, projections, estimations and expectations, which may be forward looking statements within the meaning of applicable Securities Laws and Regulations. Forward-looking statements are based on certain assumptions and expectation of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The important factors, which could have an impact on the company's operations, include economic conditions, changes in Government Regulations and other incidental factors. The company assumes no responsibility to publicly amend modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

1. ECONOMIC REVIEW

2011-12 was a challenging year across the global economic and political spectrum: sluggish economic growth, fifth consecutive year of recession in Greece, political instability across the Middle East and North Africa, deepening European crisis and a fragile US recovery. The liquidity infusions by the European Central Bank (ECB) have considerably improved the global financial markets. Nevertheless, an acceptable solution to the euro-zone crisis is still not in sight. The emerging economies are also witnessing slowdown, largely due to the trickledown effect of the global slowdown, and domestic pressures. The World Bank has predicted a modest global GDP growth of 2.5 percent in 2012, increasing to 3 percent in 2013 and 3.3 percent in 2014

The global turbulence has predictably, impacted India's economic performance as well. The domestic economy witnessed 6.5 percent growth in FY 2011-12, the lowest in nine years. Tight monetary control measures, high inflation, increasing fuel cost,

growing fiscal deficit, slow infrastructure investments, contracting exports and imports and weakening rupee further arrested growth.

However, the long-term economic prospects appear bright, compared to most countries of the world. The World Bank has marginally raised India's growth forecast for 2012-13 to 6.9 percent, from its January estimate of 6.8 percent.

(Source: World Bank)

2. INDIAN MEDIA & ENTERTAINMENT INDUSTRY OVERVIEW

The media and entertainment industry is expected to exceed Rs 224,500 crore by 2017, growing at a CAGR of 18 per cent from 2012, industry body CII and Pricewater Coopers said in a joint report. Although the broader Indian economy experienced moderation in its growth rate, the industry has continued its strong growth momentum highlighting its latent potential of beating the economy. The ongoing proliferation of digital platforms has been a key enabler for this growth.

The size of the Indian M&E sector increased from about Rs 805 billion in 2011 to almost Rs 965 billion in 2012 representing an year-on-year growth of 20 per cent. "With increasing proliferation of digital platforms, industry participants will need to invest in constant innovation that encompasses products and services, business and operating models and most importantly, consumer experience and engagement. Innovation should be seen as an important enabler to get closer to consumers and profitably deliver relevant content and services," said Smita Jha, Leader Entertainment & Media Practice, PwC India.

India's television market grew at 13 per cent with revenues increasing from Rs 340 billion in 2011 to Rs 383 billion in 2012. Filmed entertainment also demonstrated growth in 2012 with sector revenues increasing by about 17 per cent from Rs 96 billion in 2011 to Rs 112 billion in 2012. The print sector revenues are expected to increase at over 9 per cent CAGR to reach Rs 331 billion in 2017 from Rs 212 billion in 2012.

3. INDIAN TELEVISION INDUSTRY

Television clearly continues to be the dominant segment, however we have seen strong growth posted by new media sectors, animation/ VFX and a comeback in the Films (21 percent growth in 2012 over 2011 vis a vis 11 percent per growth in 2011 over 2010) and Music sectors (18 percent growth in 2012 over 2011 vs. 4.7 percent growth in 2011 over 2010) on the back of strong content and the benefits of digitization.

Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent of the total media industry. The TV industry continues to have headroom for further growth as television penetration in India is still at approximately 60 percent of households.

India continues to be the third largest TV market after USA and China with 146 million television households. Cable and satellite (C&S) penetration of television households is close to 80 percent with DTH driving a significant part of the growth in the last 12 months.

4. DIGITIZATION – the game changer

The cable television industry in India is poised for one of its most significant developments in the last decade – a transformation to the Digital Addressable System (DAS) for television distribution. Cable operators in a DAS regime would be legally bound to transmit only digital signals. Subscribed channels can be received at the customer's premises only through a set-top-box equipped with a Conditional Access Card, and a Subscriber Management System (SMS). In a nut-shell, each user in the network would be uniquely identifiable to the service provider.

Digital television expected to provide the consumer access to a higher number of TV channels, customized tariffs, availability of broadband and other value-added-services, and enhanced user experience through viewing quality and consumer service.

The new Digital Addressable System (DAS) has the support of key stake-holders including the government, the broadcasters and the multi-system operators (MSOs).

5. BUSINESS OVERVIEW

Iris Mediaworks Limited is a media company, engaged in the business of broadcasting and media.

The Year 2011-12 was a challenging year for us as we faced with many simultaneous adverse changes in the external environment. We had not seen challenges of this magnitude in the recent past. These challenges impacted the financial performance of the company in the year.

Performance overview

- Income from operations stood at Rs. 569,273,871
- Other Income stood at Rs. 4,453,416

However company witnessed a nosedive in its bottom line, by reflecting a loss of Rs. 8,063,852, as compared to the loss of Rs. 4,785,127 last year.

Opportunities and Threats

With many developments in the economy and severe competition amongst the companies, the prime opportunity lies in meeting the customers' expectations in terms of high quality, prompt response in time, services & performance and the same opportunities were regularly grabbed by your Company.

6. RISK MANAGEMENT

Economy risk

The downturn in Economy as a whole will have an adverse effect on the Media & Entertainment industry since the consumer spending will reduce, negatively impacting the Media & Entertainment industry. Since Films is the most popular form of mass media and demand for quality films will always exist.

High Talent cost

There has been a constant increase in the talent cost leading to increase in cost of production and making it difficult to recover the cost. TIPS has deep relationships with artists at every level which help them sign stars at correct costs, thereby keeping a check on unreal production costs.

Uncertainties in Government policies

The Company thoroughly keeps track of the changing regulations to comply with all the statutory requirements.

7. INTERNAL CONTROL SYSTEMS

The company recognizes the importance of internal controls and their adequacy and has taken commensurate steps in this regard. The company has in process the systems that are needed to manage the business of the scale and size which the company has evolved into. Risks and controls are regularly viewed by senior and responsible officers of the company that assure strict adherence to budgets and effective and optimal use of resources.

8. HUMAN RESOURCES

IRIS firmly believes in and has consistently practiced progressive HR values. The Company's philosophy is reflected by the values of transparency, professionalism and accountability. The Company endeavors to improve on these aspects on an ongoing basis and thereby perpetuate it to generate long-term, socio-economic values for its shareholders, customers and employees.

CERTIFICATION ON FINANCIAL STATEMENTS

I, the undersigned, in my respective capacity as a Managing Director of Iris Mediaworks Limited (“the Company”), to the best of my knowledge and belief certify that:

- (a) I have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2012 and based on my knowledge and belief, I state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact contain any 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 the existing accounting standards, applicable laws and regulations.
- (b) I accept the responsibility for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which the Board is aware and the steps have been taken or propose to take to rectify these deficiencies.
- (c) I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which the Board become aware and the involvement therein, if any, of the management or an employee having

significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Sd/-

Rajendra Sharad Karnik
Chairman and Managing Director

Place : Mumbai

Date : 1st September, 2012

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

I have examined the compliance of the conditions of Corporate Governance by **Iris Mediaworks Limited** ("the Company") for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India. The Compliance of conditions of Corporate Governance is the responsibility of the Company's management.

My examination was limited to the 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For D. P. Agarwal & Co.
Chartered Accountants

sd/-

D. P. Agarwal
Proprietor
Membership No. 35500

Place: Mumbai

Date: 1st September, 2012

**DECLARATION UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING
ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2012.

For Iris Mediaworks Limited
(Formerly known as Channel Guide India Limited)

Sd/-

Rajendra Karnik
Managing Director

Place: Mumbai

Date: 1st September, 2012

AUDITORS REPORT

To,

The Members of

IRIS MEDIAWORKS LIMITED.

1. We have audited the attached Balance Sheet of IRIS MEDIAWORKS LIMITED as at 31st March, 2012 and also the statement of Profit and Loss for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statement are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 3 above and subject to the Notes to Accounts, We report that;

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper Books of account as required by law have been kept by the company so far as appears from our examination of such books;
- c) The Balance Sheet and statement of Profit and Loss dealt with this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
- II. In the case of the statement of Profit and Loss , of the Profit of the Company for the year ended on that date; and
- III. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

FOR M/S. D.P.AGARWAL & CO.
Chartered Accountants

Sd/-

D.P.AGARWAL FCA
Proprietor

M. No. 35500

FRN: 100068W

Place: Mumbai

Dated: 1st September, 2012

Annexure to Independent Auditors' Report

- i. (a) The Company has no maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, all the assets have not been physically verified by the Management during the year while some assets have been so verified. Material discrepancies which were noticed on verification have been properly dealt with in the books of accounts.
- ii. As explained to us, the company holds no inventory. As such the provision of Clause 4 (ii) (a), (b) and (c) of the companies (Auditor's Report) Order, 2003, as amended are not applicable.
- iii. (a) The Company has not granted any loans unsecured or secured loans to companies ,firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 hence the provision of 3(b)(c)(d) not applicable.

(b) The Company has not taken any loan secured or unsecured from companies/firm or other parties covered in the register maintained u/s 301 of the companies ACT 1956 hence provision of paragraph 4(3)(f)(g) not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. (a) According to the information and explanation given to us, we have unable to form an opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 for the year ended 31st March, 2012 that needs to be entered in to the register maintained under the section have been so entered as the said register has not been made available to us for our inspection.

- (b) In our opinion having regard to our comments in paragraph (v)(a) above and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding in the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.
- vi. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public and hence the directive issued by the reserve Bank of India and the provisions of section 58A and 58AA of the companies Act, 1956, and the rules frame there under are not applicable.
- vii. As per the information and explanation given to us, during the year under audit, the company do not have an internal audit system commensurate with the size and nature of it's business.
- viii. As per the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any other product of the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, customs duty, excise duty and other material statutory dues applicable to it. According to the information and explanations given to us, there are no overdue arrears of statutory dues for a period of more than six months from the date they become payable as at the last date of the financial year covered by our audit except the following undisputed dues:

Nature of Dues	Amount (Rs.)
Professional Tax	33705/-
Tax Deducted at Source	832388/-
FBT	2990/-
VAT Payable	273015/-

- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- x. In our opinion, the accumulated loss of the company at the end of the current financial year as well as immediate preceding year is not more than 50% of its net worth. The Company has incurred cash losses of Rs.1,84,403/- during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities debentures and other investments, accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion, the terms and conditions on which the company has not given guarantees for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interest of the Company.
- xvi. The Term loan taken by the company has been applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on

short-term basis have been used for long term assets. No long-term funds have been used to finance short-term assets other than temporary deployment in investments pending application.

- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year under review.
- xx. The company has not raised fund by public issue however the company has made preferential allotment equity shares and the fund raised by preferential issued has been used for the purpose of preferential issue made.
- xxi. No fraud on or by the company has been noticed or reported during the year.

**FOR M/S. D.P.AGARWAL & CO.
Chartered Accountants**

Sd/-

D.P.AGARWAL FCA
Proprietor
M. No. 35500
FRN: 100068W

Place: Mumbai

Dated: 1st September, 2012

IRIS MEDIAWORKS LIMITED
Balance Sheet as at 31st March, 2012

			(Rs)	
Particulars	Note No.		As At 31.03.2012	As At 31.03.2011
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital				
(i) Equity Share Capital	1.1	499,810,550		56,385,550
(ii) Equity Share Warrants	1.2	6,090,000		-
(b) Reserves and Surplus	2	804,591,026	1,310,491,576	14,489,878
(2) Share application money pending allotment			-	777,788,750
(3) Non-Current Liabilities				
(a) Long-term borrowings	3	3,221,484		3,064,858
(b) Deferred tax liabilities (Net)	4	-		84,658
			3,221,484	3,149,516
(4) Current Liabilities				
(a) Short-term borrowings		-	-	
(b) Trade payables	5	453,295,601		333,188,783
(c) Other current liabilities	6	138,684,432		26,202,815
(d) Short-term provisions	7	1,250,692	593,230,725	1,914,446
Total			1,906,943,784	1,213,119,738
II. Assets				
(1) Non-current assets				
(a) Fixed assets	8			
(i) Tangible assets		6,239,408		7,251,730
(ii) Intangible assets		20,515,912		27,354,549
(iii) Capital work-in-progress		-		-
(iv) Intangible assets under development		-	26,755,320	-
(b) Non-current investments	9	779,842,990		417,799,990
(c) Deferred tax assets (net)	10	163,585		-
(d) Long term loans and advances	11	39,552,689		22,076,630
(e) Other non-current assets	12	283,891,599	1,103,450,863	58,139,745
(2) Current assets				
(a) Current investments	13	336,095,000		356,950,820
(b) Trade receivables	14	438,566,884		316,123,831
(c) Cash and cash equivalents	15	280,362		5,958,574
(d) Other current assets	16	1,795,354	776,737,600	1,463,871
Total			1,906,943,784	1,213,119,738

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

As per our report of even date attached

For
D.P. Agarwal & Co.
Firm Reg.No : 100068W
Chartered Accountants

For and on Behalf of the Board of Directors

sd/-

sd/-

sd/-

D.P. Agarwal
Membership No.35500
(Proprietor)

(Director)

(Director)

Place : Mumbai
Date : September 1, 2012

IRIS MEDIAWORKS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2012

(Rs)

Particulars	Note No.	As At 31.03.2012	As At 31.03.2011
INCOME :			
Revenue from operations	17	569,273,871	698,008,789
Other Income	18	4,453,416	817,886
Total Revenue		573,727,287	698,826,675
EXPENDITURE :			
Cost of materials		-	-
Purchase of Stock-in-Trade	19	548,326,235	677,267,768
Employee benefit expense	20	485,807	168,100
Financial costs	21	846,635	1,329,938
Depreciation and amortization expense	22	7,879,449	5,590,091
Other expenses	23	24,501,256	18,164,134
Total Expenses		582,039,382	702,520,031
Profit before tax		(8,312,095)	(3,693,356)
Tax expense:			
Deferred tax	24	(248,243)	1,091,771
Profit(Loss) after tax		(8,063,852)	(4,785,127)
Profit/(Loss) for the period		(8,063,852)	(4,785,127)
Earning per equity share:			
(1) Basic		(0.08)	(0.42)
(2) Diluted		(0.17)	(0.47)

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

As per our report of even date attached

For
D.P.Agarwal & Co.
Firm Reg.No : 100068W
Chartered Accountants

For and on Behalf of the Board of Directors

sd/-

sd/-

sd/-

D.P.Agarwal
Membership No.35500
(Proprietor)

(Director)

(Director)

Place : Mumbai
Date : September 1, 2012

IRIS MEDIAWORKS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	PARTICULARS	YEAR ENDED	
		31.03.12 Rs.	31.03.11 Rs.
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit / (Loss) after tax as per Profit & Loss Account	(8,063,852)	(4,785,127)
	Adjustments for :		
	Current Year Tax Provision	-	-
	Deferred Tax Provision	(248,243)	1,091,771
	Misc. Expenses W/off	-	-
	Depreciation	7,879,449	5,590,091
	Operating Profit before working capital changes	(432,646)	1,896,735
	Adjustments for :		
	(Increase) / Decrease in Inventories	-	-
	(Increase) / Decrease in Sundry Debtors	(122,443,053)	(144,967,082)
	(Increase) / Decrease in Loans & Advances	(17,476,059)	(63,745,324)
	Increase / (Decrease) in Liabilities	(116,576,244)	(298,088)
	(Increase) / Decrease in Capital	(449,515,000)	(10,917,220)
	(Increase) / Decrease in Share Premium	(798,165,000)	(10,917,220)
	Cash generated from operations	(1,504,608,002)	(228,948,199)
	Direct taxes paid	-	-
	Prior Period Adjustment (VAT paid)	-	-
	Excess provision for earlier years	-	-
	NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(1,504,608,002)	(228,948,199)
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Addition to Fixed Assets(net)	(28,490)	(1,175,700)
	Preliminary expenses	35,900	26,550
	Dividend & Interest Received	-	-
	Purchase of Investments (Net)	(341,187,180)	(774,770,810)
	NET CASH FROM INVESTING ACTIVITIES	(341,179,770)	(775,919,960)
C.	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Dividend paid	-	-
	Tax on Dividend Paid	-	-
	NET CASH FROM FINANCING ACTIVITIES	-	-
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALEN	1,163,428,232	(546,971,761)
	Cash & Cash equivalents - Opening Balance	5,958,574	2,418,838
	Cash & Cash equivalents - Closing Balance	280,362	5,958,574
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALEN	(5,678,212)	3,539,736

This is the Cash Flow referred to in our report of even date

For
D.P.Agarwal & Co.
Firm Reg.No : 100068W
Chartered Accountants

For and on Behalf of the Board of Directors

sd/-

sd/-

sd/-

D.P.Agarwal
Membership No.35500
(Proprietor)

(Director)

(Director)

Place : Mumbai
Date : September 1, 2012

IRIS MEDIAWORKS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No. 1.1		AS AT	(Rs)
	Share Capital	31.03.2012	AS AT
			31.03.2011
	Authorised Share Capital		
	140000000 (31 March 2011) equity shares of Rs. 5/- each	700,000,000	700,000,000
		<u>700,000,000</u>	<u>700,000,000</u>
	Issued,Subscribed and fully Paid up		
	i. 99962110 (31 March 2011 :11277110) equity shares of Rs. 5/- each fully paid up	499,810,550	56,385,550
	Total Issued subscribed and paid up share capital	<u>499,810,550</u>	<u>56,385,550</u>

Note No. 1.2			
	EQUITY SHARE WARRANTS		
	Convertible Equity Warrants		
	i.1740000 Convertible Equity Warrants (CEW) of value Rs.14/- each partly paid-up Rs.3.50/- Per CEW	6,090,000	-
		<u>6,090,000</u>	<u>-</u>

DISCLOSURES

1.1 Reconciliation of the shares outstanding i. Equity shares

	<u>As at</u> <u>31.03.2012</u> <u>Numbers</u>	<u>As at</u> <u>31.03.2011</u> <u>Numbers</u>
i. At the beginning of the year	11,277,110	9,093,666
ii. On Conversion of Convertible Equity Warrants of Rs.14/-	88,685,000	-
iii. On Conversion of Convertible Equity Warrants of Rs.10/-	-	2,183,444
Outstanding at the end of the year	<u>99,962,110</u>	<u>11,277,110</u>

1.2 No Bonus shares issued immediately preceding five years from the date of balance sheet

1.3 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-03-2012		As at 31-03-2011	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Manish D Vasisht	-	-	865,333	7.67
L.N.Polyester Ltd	17650000	17.65	-	-
Regency Commosales Pvt Ltd	16250000	16.25	-	-
Shivam Mall Management Co.Pvt Ltd	9867500	9.87	-	-
Sally Media & Entertainment Pvt Ltd	13550000	13.55	-	-
Aillish Traders Pvt Ltd	13250000	13.25		

Reconciliation of Convertible Equity Warrants

1.4 i. Convertible Equity Warrants

	<u>As at 31.03.2012 Numbers</u>	<u>As at 31.03.2011 Numbers</u>
i. At the beginning of the year		
Allotment of 90425000 Convertible Equity Warrants of Rs.14/- each partly paid	90,425,000	-
Less : Convert into equity shares as per term of issue	88,685,000	-
Outstanding at the end of the year	<u>1,740,000</u>	<u>-</u>

Note No. 2

RESERVES AND SURPLUS

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
A. General reserve		
Balance at the beginning of the year	1,682,225	-
Add: Convertible Warrants of Rs.5/-each partly paid up forfeited due to non receipt of call money on convertible warrants issue	-	1,682,225
Closing Balance	<u>1,682,225</u>	<u>1,682,225</u>
B. Share premium account		
Balance as per the last financial statements	26,385,550	15,468,330
Add: On conversion of 88685000 CEW each of Rs.14 Rs.9/- premium.	798,165,000	
Add : Share Premium received on conversion of 21,83,444 warrants@ Rs.5/- each		10,917,220
Balance at the end of the year	<u>824,550,550</u>	<u>26,385,550</u>
C. Surplus in the Statement of Profit and Loss		
Balance as per the last financial statements	(13,577,897)	
Add: surplus in the statement of profit and loss	(8,063,852)	(13,577,897)
Less: adjustment during the period	-	-
	<u>(21,641,749)</u>	<u>(13,577,897)</u>
Reserves and Surplus (A+B+C)	<u>804,591,026</u>	<u>14,489,878</u>

Note No. 3

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
<u>NON CURRENT LIABILITIES</u>		
Long Tern Borrowings		
Canara Bank	3,221,484	3,065,005
(Hypothecation of plant & machinery, equipment & other system)		
Canara Bank-Cash Credit	-	(147)
(Hypothecation of book Debts & Stock, further collaterally secured by mortgage of cooper bldg. & personal guarantee of two erstwhile directors)		
	<u>3,221,484</u>	<u>3,064,858</u>

Note No. 4

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
<u>NON CURRENT LIABILITIES</u>		
<u>DEFERRED TAX LAIBILITY (NET)</u>		
Related to Fixed Assets	-	84,658
	<u>-</u>	<u>84,658</u>

Note No. 5

	As at 31.03.2012	As at 31.03.2011
<u>TRADE PAYABLE</u>		
*Trades Creditors	453,295,601	333,188,783
	<u>453,295,601</u>	<u>333,188,783</u>

* The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2012 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL.

Note No. 6

	As at 31.03.2012	As at 31.03.2011
<u>OTHER CURRENT LIABILITIES</u>		
Creditors for Expenses	435,934	1,520,745
Directors Current Account	11,081,251	19,929,823
Trade Advance received	124,350,000	150,000
Prof.Convertible Warrant Excess Money	2,817,247	4,602,247
	<u>138,684,432</u>	<u>26,202,815</u>

Note No. 7

	As at 31.03.2012	As at 31.03.2011
<u>SHORT TERM PROVISIONS</u>		
Statutory Provisions	1,250,692	1,914,446
	<u>1,250,692</u>	<u>1,914,446</u>

(a) * The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

(b) Current liabilities do not include any amount to be credited to investor education and protection fund

Note No. 9

	As at 31.03.2012	As at 31.03.2011
<u>NON CURRENT INVESTMENTS</u>		
<u>Trade Investment</u>		
Shares Application Money	779,842,990	417,799,990
	<u>779,842,990</u>	<u>417,799,990</u>

Note No. 10

	As at 31.03.2012	As at 31.03.2011
<u>NON CURRENT ASSETS</u>		
<u>DEFERRED TAX ASSETS (NET)</u>		
Related to Fixed Assets	163,585	-
	<u>163,585</u>	<u>-</u>

Note No. 11

	As at 31.03.2012	As at 31.03.2011
<u>LONG TERM LOANS & ADVANCES</u>		
Loans and Advances	39,552,689	22,076,630
	<u>39,552,689</u>	<u>22,076,630</u>

Note No. 12**OTHER NON CURRENT ASSETS**

	As at 31.03.2012	(Rs) As at 31.03.2011
Vat-Deposit	30,000	30,000
With Holding Tax	6,411,352	3,686,571
Trade Advances	277,038,447	52,975,474
Dhaliwala Entertainment Pvt Ltd	-	1,000,000
Pratik Diamonds Pvt Ltd	340,000	340,000
Misc.Expenses		
Preliminary Expenses	71,800	107,700
	<u><u>283,891,599</u></u>	<u><u>58,139,745</u></u>

Note No. 13**CURRENT INVESTMENTS (VALUE AT COST)**

	As at 31.03.2012	(Rs) As at 31.03.2011
Current Investment (Non-trade)		
Shares Application-Unquoted	336,095,000	356,950,820
	<u><u>336,095,000</u></u>	<u><u>356,950,820</u></u>

Note No. 14**TRADE RECEIVABLES (Unsecured)**

	As at 31.03.2012	(Rs) As at 31.03.2011
Debts overdue for a period exceeding six month		
Considered good	162,498,068	160,306,851
Considered doubtful	-	-
Others Trade Receivable		
Considered good	<u>276,068,816</u>	<u>155,816,980</u>
Considered doubtful	-	-
Total	<u><u>438,566,884</u></u>	<u><u>316,123,831</u></u>

Note No. 15**CASH & CASH EQUIVALENTS**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Cash on Hand	25,525	4,459,929
Bank balance in Current Accounts with scheduled bank	254,837	1,498,645
Total	<u><u>280,362</u></u>	<u><u>5,958,574</u></u>

Note No. 16**OTHER CURRENT ASSETS**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Vat Input	32,089	32,089
Advance Income Tax	1,763,265	1,431,782
Total	<u><u>1,795,354</u></u>	<u><u>1,463,871</u></u>

IRIS MEDIAWORKS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

FIXED ASSETS

Note :-

8

(Rs)

Name of Asset	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.11	Additions During the Year	Deletions During the Year	As at 31.03.12	As at 01.04.11	For the Year	Deletions During Year	As at 31.03.12	As at 31.03.12	As at 31.03.11
A. Intangible Assets										
Film Rights	1,435,343		-	1,435,343	400,776	258,642	-	659,418	775,925	1,034,567
T.V.Serials	41,696,344		-	41,696,344	15,934,421	6,440,481	-	22,374,902	19,321,442	25,761,923
Channel Launch Show	1,000,000		-	1,000,000	441,941	139,515	-	581,456	418,544	558,059
Total A	44,131,687	-	-	44,131,687	16,777,138	6,838,637	-	23,615,775	20,515,912	27,354,549
B. Tangible Assets										
Computer	133,600		-	133,600	21,821	44,712	-	66,533	67,067	111,779
Playout Equipments	5,462,000		-	5,462,000	3,552,444	265,619	-	3,818,063	1,643,937	1,909,556
Playout & Studio Equipmen	3,525,279		-	3,525,279	2,284,622	172,575	-	2,457,197	1,068,082	1,240,657
Editing System	1,224,549		-	1,224,549	928,284	41,210	-	969,494	255,055	296,265
Tapeles Server	4,300,000		-	4,300,000	2,796,688	209,111	-	3,005,799	1,294,201	1,503,312
Satelite Server	365,745		-	365,745	235,135	18,168	-	253,303	112,442	130,610
Encryption System	4,802,671		-	4,802,671	3,030,414	246,521	-	3,276,935	1,525,736	1,772,257
Air Conditioner	49,475		-	49,475	14,425	4,875	-	19,300	30,175	35,050
FCP Machine	380,000		-	380,000	127,756	35,087	-	162,843	217,157	252,244
Refregerator		10,000	-	10,000	-	1,094	-	1,094	8,906	-
Television		18,490	-	18,490	-	1,839	-	1,839	16,651	-
Total B	20,243,319	28,490	-	20,271,809	12,991,589	1,040,812	-	14,032,401	6,239,408	7,251,730
Total A+B	64,375,006	28,490	-	64,403,496	29,768,727	7,879,449	-	37,648,176	26,755,320	34,606,279
(Previous Year)	63,199,306	1,175,700	-	64,375,006	24,178,637	5,590,091	-	29,768,727	34,606,279	39,020,668

Note No. 17**REVENUE FROM OPERATIONS**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Export of Punjabi TV Programme	18,714,762	
IT Product Trading Sales	550,159,109	679,233,872
Film Rights Sales	400,000	18,774,917
Total	<u>569,273,871</u>	<u>698,008,789</u>

Note No. 18**OTHER INCOME**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Income from Foreign Exchange Fluctuation	614,191	-
Interest Received	3,523,449	514,760
Profit on Sale of Shares	148,000	226,843
Misc. Income	167,776	76,283
Total	<u>4,453,416</u>	<u>817,886</u>

Note No. 19**COST OF MATERIAL**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
PURCHASE :		
IT Product Trading Purchase	548,326,235	677,267,768
	<u>548,326,235</u>	<u>677,267,768</u>

Note No. 20**EMPLOYEE BENEFIT EXPENSES**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Staff Expenses	307	
Salary to Staff	485,500	168,100
	<u>485,807</u>	<u>168,100</u>

Note No. 21**FINANCIAL COST**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Bank Charges	104,397	71,565
Foreign Exchange Fluctuation	85,760	914,420
Interest on Term Loan	656,479	343,953
	<u>846,635</u>	<u>1,329,938</u>

Note No. 22**DEPRECIATION AND AMORTIZATION EXPENSES**

	AS AT 31.03.2012	(Rs) AS AT 31.03.2011
Depreciation	7,879,449	5,590,091
	<u>7,879,449</u>	<u>5,590,091</u>

Note No. 23**OTHER EXPENSES**

Auditors Remuneration	27,500	225,000
Brokerage	-	20,000
Communication Expenses	132,310	50,519
Conveyance & Travelling Charges	49,756	349,705
Fees and Subscriptions	44,000	-
Legal Professional Fees	6,913,969	2,018,117
Printing and Stationery	6,445	42,076
Listing and RTA Fees	163,271	252,090
Repairs & Maintenance Charges	53,037	152,255
Electricity Charges	77,689	151,967
Bussiness Promotion Expenses	51,927	-
Insurance	-	36,399
General expenses	61,415	-
Office Expenses	-	13,275
Office Rent	20,000	60,000
Postage & Courier Expenses	7,668	10,370
Selling and Distribution Expenses	7,485,197	12,151,344
Hire Charges	2,250	20,000
Loss on Sale of Investment	75,820	-
Preliminary Expenses	35,900	26,550
Security Charges	12,000	57,720
Bad Debts	9,227,055	2,526,115
Staff Welfare Expenses	-	632
License Fees	54,047	-
	24,501,256	18,164,134

Note No. 24**DEFERED TAX**

Deffered tax (F.A.)	(248,243)	1,091,771
	(248,243)	1,091,771

Note No. 25**Notes to Accounts****25.1 Related Party Transaction****a) Key Managerial Person**

Rajendra Karnik
Bimal Kamdar

b) Transaction with related parties for the year ended are as follows :

Transaction /Nature of relationship	Nature of Relationship	AS AT 31.03.2012
Name of Related Party		
1) Trade Payable Gee Info Media Pvt Ltd	Rajendra Karnik (Director)	4,249,240
2) Trade Receivable Avance Technologies Ltd	Bimal Kamdar (Director)	8,718,199

25.2 Auditors Remuneration

	AS AT 31.03.2012	AS AT 31.03.2011
Audit Fees	15,000	112,500
Tax Audit Fees	12,500	112,500
	<u>27,500</u>	<u>225,000</u>

25.3 Earning Per Shares

	Current Year	Previous Year
Net Profit for the year attributable to the Ordinary Shareholders	(8,063,852)	(4,785,127)
Weighted average number of Equity Shares of Rs 5/- each	99,962,110	11,277,110
Basic Earning Per Share of Rs 5/- each	(0.08)	(0.42)
Diluted Earnings Per Share	(0.17)	(0.47)

25.4 The previous year figures have been regrouped, rearranged wherever necessary.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012:-

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :-

- a) The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the companies Act,1956,subject to what is stated herein below, as adopted consistently by the company.
- b) Method of Accounting employed by the firm is on accrual basis both as to expenditure and income by following the concept of materiality.
- c) Accounts have been prepared on Historical cost and accrual basis except for government dues which are accounted for in the year of receipt of the relevant order.

2. FIXED ASSETS:-

- a) Intangible Assets:-Intangible assets comprise of Cost of Television serials produced and film rights purchased.
- b) Tangible Fixed Assets: Fixed Assets are stated at Cost less Depreciation. The Company capitalizes all cost relating to acquisition and installation of fixed assets.
- c) Capital Work in Progress: These represent under production TV Serials and other assets of similar nature.

3. DEPRECIATION:

- a) Intangible Asset: Amortization has been made at 25% on written down value of assets, being Television Serials, acquired/created in the current period.
- b) Tangible Fixed Asset: Depreciation is provided on written down value method as per Schedule XIV of the Companies Act, 1956. For all assets acquired during the period depreciation has been provide on pro-rate basis other than on those assets whose actual Cost did not exceed rupees, five thousand on which depreciation has been provided at the rate of One Hundred percent. No depreciation has been provided on assets sold or discarded during the period.

4. INVESTMENT:

The Company has maintained proper records of transactions and contracts in respect of investments in shares, debentures and other securities and those timely entries have been made therein. The shares, debentures and other securities have been held by the Company in its own name except to the exemption granted under Section 49(4) of the Companies Act, 1956.

5. FOREIGN CURRENCY TRANSACTION:

Foreign exchange transactions are recorded at the rate of exchange prevailing on the date of the Transaction. Gains or Losses due to difference in the rate of exchange at the time of payment are recognized in the Statement of Profit & Loss as Exchange rate Fluctuation account Provision for gains/losses for yearend monetary assets or liabilities in foreign exchange have not been recognized at the rates prevailing as at the Balance Sheet Date.

6. EMPLOYEE BENEFITS:

In view of the number of employees being below the stipulated numbers, the Provident Fund, ESIC, Bonus and payment of Gratuity Act are not applicable to the company for the year.

7. REVENUE RECOGNITION:

- I. Revenue from production and sale of rights (films, programme, TV serials etc.) and Advertisement revenue is recognized on accrual basis.
- II. Revenue from sale of products is stated net off discounts and any applicable duties and taxes on dispatch of goods in accordance with terms of sales.

8. GRATUITY :

No Provision is made for gratuity in the accounts.

9. TAXES ON INCOME:

- a) No provision for taxation has been made for the current period as the Company has brought forward Business losses and unabsorbed depreciation.
- b) As per AS-22, the deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets/liability is reviewed to reassess realization.
- c) The Deferred Tax resulting from timing differences between book and tax profit is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

10. IMPAIRMENT OF ASSETS:

None of the assets have been revalued during the period under audit.

11. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

12. PRELIMINARY EXPENSES:

During the year, Rs. 35,900/- had been written off Preliminary expenses.

13. Earnings Per Share (EPS):

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning per Share", issue by the Institute of Chartered

Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares during the period. The diluted EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

14. Cash Flow Statement

Cash Flow Statement has been prepared in accordance with the Accounting standard Issued by Institute of Chartered Accounts of India on indirect method.

15. Accounting for CENVAT Credit:

CENVAT benefit is accounted for reducing the purchase cost of material/fixed assets and Services, where CENVAT credit is available.

FOR M/S. D.P.AGARWAL & CO.

Chartered Accountants

Sd/-

D.P.AGARWAL FCA

Proprietor

Place: Mumbai

M. No. 35500

Dated: 1st September, 2012

FRN: 100068W

IRIS MEDIAWORKS LIMITED

Unit no. 32/F, Laxmi Vijay Industrial, Co-op Society Ltd., Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400053

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the Annual General Meeting of **Iris Mediaworks Limited** to be held at the Registered Office of the Company situated at Unit no. 32/F, Laxmi Vijay Industrial, Co-op Society Ltd., Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai- 400053 at **9.00 a. m. on 28th September, 2012.**

NAME(S) OF THE SHAREHOLDER(S) (in block capital): _____

FOLIO NO. / CLIENT ID NO. : _____

DP. ID NO.: _____

SIGNATURE(S) IF SHAREHOLDER: _____

IF PROXY: _____

NOTE: Please complete and sign this Attendance slip and hand it over at the entrance.

IRIS MEDIAWORKS LIMITED

Unit no. 32/F, Laxmi Vijay Industrial, Co-op Society Ltd., Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400053

PROXY FORM

I/ We _____ of (Place) _____ being a member/ members of **Iris Mediaworks Limited** under Folio No. / Client ID No. _____ hereby appoint Mr. / Mrs. _____ of (Place) _____ failing him/ her Mr. / Ms. _____ of (Place) _____ as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **Friday, 28th September, 2012** or at any adjournment(s) thereof.

Signed this _____ day of _____, 2012.

Affix Revenue Stamp and sign across
--

NOTE: The Proxy Form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.