



ANNUAL REPORT

2012-13

IRIS MEDIAWORKS LIMITED

[formerly known as Channel Guide India Limited]

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## **BOARD OF DIRECTORS**

Mr. Rajendra Karnik

Mr. Kunal Ranjan

Mr. Bimal Kamdar

Mr. Rakesh 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, 4<sup>th</sup> 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-400 072.

## **BANKERS**

HSBC Bank

INDUSIND Bank

KOTAK MAHINDRA Bank

ING VYSYA Bank

YES Bank

HDFC Bank

DENA Bank

BHARAT CO-OP Bank

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty First Annual General Meeting of the members of the Company will be held on Saturday, September 28, 2013 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 receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Report of the Directors' and the Auditors' thereon.

#### **Item No. 2**

To appoint a Director in place of Mr. Bimal Kamdar, who retires by rotation, and being eligible offers himself for re-appointment.

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

To appoint Statutory Auditors and to fix their remuneration; and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** M/s. D. P. Agarwal & Co., Chartered Accountants (Registration No. 100068W) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

**RESOLVED FURTHER THAT** any of the directors of the Company be and are hereby authorized to do all such acts deeds matters and things as may be deemed expedient to give effect to the aforesaid resolution."

**By Order of the Board of Directors**

Sd/-

**Place: Mumbai**  
**Date : September 3, 2013**

**Rajendra Karnik**  
**Chairman and Managing Director**

## **NOTES:**

1. **A member entitled to attend and vote at the Twenty First Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate members intending to depute their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business is not applicable, since there is/are no special business(s).
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Pursuant to Section 154 of Companies Act, the Register of Members and Share Transfer Books will be closed from Tuesday, September 24, 2013 to Thursday, September 26, 2013 (both days inclusive), for the purpose of Annual General Meeting.
7. Members holding shares in electronic 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.
8. 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 its RTA Bigshare Services Private Limited in this regard.
9. 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, if the Chairman permits such information to be furnished.

10. 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.
11. 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.

**ANNEXURE TO THE NOTICE**

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT OF DIRECTOR**

**Item No. 2 – Re-appointment of Mr. Bimal Kamdar 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. Bimal Kamdar retires by rotation in the ensuing Annual General Meeting. Details of Mr. Bimal Kamdar, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, relating to Corporate Governance, are given in the statement attached below.

**By Order of the Board of Directors**

Sd/-

**Place: Mumbai**  
**Date : September 3, 2013**

**Rajendra Karnik**  
**Chairman and Managing Director**

**Details of the Director seeking re-appointment at the forthcoming Annual General Meeting of the Company.**

<b>Name of Director</b>	<b>Mr. Bimal Kamdar</b>
<b>Date of Birth</b>	April 17, 1972
<b>Date of Appointment</b>	September 1, 2011
<b>List of Companies in which outside Directorship held as on March 31, 2013 (excluding private &amp; foreign companies)</b>	Avance Technologies Limited
<b>Chairman/Member of the *Committees of Board of Directors of other companies in which he is a Director</b>	Nil

\*The Committees include the Audit Committee and the Shareholder'/Investors' Committee.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty First Annual Report of the Company together with its Audited Statement of Profit and Loss for the year ended March 31, 2013 and the Balance Sheet as on that date.

### FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2013 is summarized below:

	<b>2012-13</b>	<b>2011-12</b>
	Rs.	Rs.
<b>Income From Operations &amp; Other Income</b>	<b>994,195,031</b>	<b>573,727,287</b>
<b>Less: Expenses</b>	1,000,995,860	582,039,382
<b>Profit/ (Loss) before Tax</b>	<b>(6,800,829)</b>	<b>(8,312,095)</b>
<b>Less: Provision for Taxation</b>	(188,579)	(248,243)
<b>Profit/ (Loss) after Tax</b>	<b>(6,612,250)</b>	<b>(8,063,852)</b>

### FINANCIAL PERFORMANCE

During the year under review, your Company has attained an operational and other income of Rs. 994,195,031 as compared to Rs. 573,727,287 from the previous year. The Company has posted a net loss of Rs. 6,612,250 during the year as compared to a net loss of Rs. 8,063,852 incurred in the previous year.

During the year profitability was adversely affected mainly on account of dominance from large market players and ever increasing competition in the industry, but still we able to recover the previous year's loss by 18% and the Company expects to accomplish profit in coming year.

A detailed discussion on the business performance is presented in the Management Discussion and Analysis Report.

### DIVIDEND

In view of the losses incurred during the year, no dividend has been recommended by the Directors for the year under review.



## **DIRECTORS**

In terms of the provisions of the Companies Act, 1956, **Mr. Bimal Kamdar**, Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

## **SHIFT IN REGISTERED OFFICE OF THE COMPANY**

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

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

To

**Unit 32/F, Laxmi Vijay Industrial Co-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.

## **PUBLIC DEPOSITS AND LOANS/ADVANCES**

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 Non-Executive Directors through their interactions and deliberations give suggestions for

improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board. 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 has set out the systems, processes and policies.

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 Exchange, forms part of the Annual Report. A Certificate from the Auditor 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 Bombay Stock Exchange 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, 2013, 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, 2013 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.

### **AUDITOR**

M/s D. P. Agarwal & Co, Chartered Accountants, retires at the ensuing Annual General Meeting and has 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 notes forming part of the Accounts referred to in Auditor's Report of the Company are self-explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended thereof is not given.

### **PARTICULARS OF EMPLOYEES**

No employees come 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 to 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, and to overall internal equity. We strive to foster an environment based on respect for individuals, recognizing that such an atmosphere contributes to overall co-operation and teamwork.

### **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 Director) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the 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 of 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, resulting in the successful performance of the Company 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 : September 3 , 2013**

**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 BSE Limited is given herein below:

**A. MANDATORY REQUIREMENTS**

**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Company believes in adopting good Corporate Governance in its all spheres of activities and follows 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. Good transparent Corporate Governance ensures that the Company is managed and monitored in a responsible manner geared towards value creation. Accountability and transparency are the fundamental principles to good Corporate Governance. In the current era of rigorous corporate regulations mandated by the Company Law statute, Corporate Governance is the manifestation of personal benefits and values, which configures the organizational values, benefits and actions of employees of the Company. Company is committed to be open and transparent as much as possible with respect to its internal financial reporting, control systems and decision making processes. Company believes that by taking this approach we are respecting the guidelines laid down in the Code and ensuring that our stakeholders benefit from a clearer understanding of how our business is managed. Company feels that this open approach is the best in the interests of our investors, associates, consumers, employees and partners and that they will be assured that our business is being run professionally, ethically and with consistent regard for best practice in Corporate Governance.

**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<sup>st</sup> March, 2013 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
<b>Rajendra Karnik</b>	Promoter, Executive Chairman	NIL	NIL	NIL
<b>Kunal Ranjan</b>	Non-executive, Independent Director	NIL	NIL	NIL
<b>Bimal Kamdar</b>	Non-executive, Independent Director	1	NIL	NIL
<b>Rakesh Naik</b>	Executive Director	1	NIL	NIL

\* Excluding Directorships in Foreign Companies, Private Companies and Section 25 of the Companies Act, 1956.

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

### **Board Meeting Details**

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

The dates of Board meetings are as follows: 15<sup>th</sup> May, 2012, 14<sup>th</sup> June, 2012, 12<sup>th</sup> July, 2012, 14<sup>th</sup> August, 2012, 1<sup>st</sup> September, 2012, 14<sup>th</sup> November, 2012, 17<sup>th</sup> December, 2012 and 12<sup>th</sup> February, 2013.

Attendance of each Director at the Board Meetings in financial year 2012-2013 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 28, 2012
Rajendra Sharad Karnik	8	8	Yes
Kunal Ranjan	8	8	Yes
Bimal Kamdar	8	8	Yes
Rakesh Ganesh Naik**	8	6	Yes <i>(as an invitee)</i>
Ajay Pawar*	8	1	No
Nitin Bhatkar*	8	1	No

\* Mr. Ajay Pawar and Nitin Bhatkar have resigned from the Board w.e.f June 12, 2012 and consequently they have also resigned from the membership of the Audit Committees. Their resignation was taken up at the Board meeting held on 14<sup>th</sup> June, 2012.

\*\* Mr. Rakesh Naik was appointed as an additional Director of the Company on 14<sup>th</sup> June, 2012, and was re-appointed as a Director liable to retire by rotation in the Annual General Meeting held on 28<sup>th</sup> September, 2012.

### III. CODE OF CONDUCT

Whilst the 'Iris Code of Conduct' is applicable to all Whole-time Directors and by definition to the Managing Director and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors. 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, 2013. 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, Shareholders' 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 at the year-end, the Audit Committee of the Board comprised of three (3) 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 2012-13 on 8th May, 7th August, 24th August and 8<sup>th</sup> November in 2012 and on 7th February in 2013. 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:

<b>Name of Director &amp; Category</b>	<b>No. of Meeting Attended out of five meetings</b>
<b>Mr. Kunal Ranjan (Chairman, Independent Director)</b>	5
<b>Mr. Rajendra Karnik (Executive Director)</b>	5
<b>Mr. Ajay Pawar (Executive Director)*</b>	1
<b>Mr. Bimal Kamdar(Non-Executive, Independent Director)</b>	5

\* **Mr. Ajay Pawar** resigned from the Board w.e.f **June 12, 2012** and consequently resigned from the membership of the Audit Committee. His resignation was taken up at the Board meeting held on **14<sup>th</sup> June, 2012**.

#### **Shareholders/ Investors' Grievance Committee**

The Shareholders/ Investors' Grievances Committee consist of three Directors of the Company viz. Mr. Kunal Ranjan, Chairman, Mr. Rajendra Karnik and Mr. Bimal Kamdar as

Members. Bigshare Services Private Limited acts as Registrar and Share Transfer Agent of the Company.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also monitors redressal of investor's grievances. Particulars of investors' grievances received and redressed are furnished in the Investor Information Section of this Report.

The Committee met four times during the Financial Year 2012-13 on 8<sup>th</sup> May, 7<sup>th</sup> August, 8<sup>th</sup> November in 2012 and on 7<sup>th</sup> February in 2013.

Attendance at the meeting of the Shareholders/ Investors' Grievances Committee held during 2012-2013.

<b>Members</b>	<b>Number of Meetings Held during the Year</b>	<b>Number of Meetings Attended</b>
<b>Mr. Kunal Ranjan (Chairman)</b>	4	4
<b>Mr. Rajendra Karnik</b>	4	4
<b>Mr. Ajay Pawar*</b>	4	1
<b>Mr. Bimal Kamdar</b>	4	4

\* **Mr. Ajay Pawar** resigned from the Board w.e.f **June 12, 2012** and consequently resigned from the membership of the other Committees. His resignation was taken up at the Board meeting held on **14<sup>th</sup> June, 2012**.

### **Remuneration Committee**

The broad terms of reference of the Remuneration Committee are to recommend to the Board the appointment/ re-appointment of Managing Director and/ or Whole-time Directors, the remuneration including Commission payable to the Managing Director, revision in salary to be paid from the succeeding financial year, based on evaluation of performance for the year under consideration. The performance evaluation is based on financial performance, market performance etc., of the Company. The Remuneration Committee also recommends the total remuneration payable to Non-Executive Directors and the criteria for payment amongst the Directors.

The Remuneration Committee comprises of three directors viz. Mr. Kunal Ranjan, Chairman, Mr. Rajendra Karnik, and Mr. Bimal Kamdar as its Members.

The Meeting of the Committee was held once during the Financial Year 2012-2013, i.e. on August 24, 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.

None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## VI. DISCLOSURES

a) **Related Party Transactions:** During the year 2012-13, the related party transactions are disclosed in Notes to Accounts.

b) **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.

c) **Risk Management:** The Risk Management of the Company is overseen by the Senior Management and the Board at various levels:

**Business/ Strategic Risk:** The Board oversees the risks which are inherent in the businesses pursued by the Company. The oversight is through review/ approval of business plans, projects and approvals for business strategy / policy.

**Operational Risks:** These are being mitigated by internal policies and procedures which are updated from time to time to address updated risks.

### **Financial Risks:**

The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts. The Board engages in the Risk Management process and has set out a review process so as to report to the Board the progress on the initiatives culled out for top few risks of each of the businesses that the Company is into. The Risk registers of each of the Business gets updated on a bi-annual basis and is placed for due discussions at Board meetings and appropriateness of the mitigation measures to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimized.

d) **Disclosure by Senior Management:** Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did

not have personal interest that could result in a conflict with the interest of the Company at large.

- e) **CEO / CFO Certification:** The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2013, which is annexed hereto.
- f) **Details of Non-Compliance:** There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- g) **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. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concerns. Further, the said policy has been disseminated within the organization.
- h) **Secretarial Audit:** Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

## 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, Notice, Audited Annual Accounts, 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](mailto: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](mailto: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**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
<b>2009-10</b>	A-203, 2 <sup>nd</sup> Floor, Greenville, Lokhandwala Complex, Andheri (W), Mumbai- 400 053	16 <sup>th</sup> November, 2010	4.30 p.m.
<b>2010-11</b>	A-203, 2 <sup>nd</sup> Floor, Greenville, Lokhandwala Complex, Andheri (W), Mumbai- 400 053	30 <sup>th</sup> September, 2011	9.00 a.m.
<b>2011-12</b>	Unit No. 32/F, Shree Laxmi Vijay Industrial Premises Co-Op. Society Ltd., Laxmi Industrial Estate, Link Road, Andheri (West), Mumbai – 400 053	28 <sup>th</sup> September, 2012	9.00 a.m.

**b) Extra-Ordinary General Meeting of the shareholders was held during the year on 17<sup>th</sup> April, 2012 for discussing the following items:**

- i. Seeking fresh consent of Shareholders to re-calculate price of Convertible Equity Warrants that were issued on preferential basis;

- ii. Appointment of M/s. D. P. Agarwal & Co., Chartered Accountants, as Statutory Auditors of the Company to fill casual vacancy caused by the Resignation of M/s Navin Nishar and Associates, Chartered Accountants, the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be decided by the Chairman and Auditors mutually at a later date.

Both the above items were approved by the Members.

- c) **No Postal Ballot was conducted during the Financial Year 2012-13. 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:**

<b>Meeting Dates</b>	<b>Resolution</b>
<b>16<sup>th</sup> November, 2010</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Resolved to create, offer, issue, allot, and deliver, on preferential basis upto 12,00,00,000 (Twelve Crores) to prospective of the company or any of its nominee or affiliates.</li> </ul>
<b>30<sup>th</sup> September, 2011</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Change of name of the Company from "Channel Guide India Limited" to "Iris Mediaworks Limited".</li> </ul>
<b>28<sup>th</sup> September, 2012</b>	<ul style="list-style-type: none"> <li>• No Special Resolution was passed in this Annual General Meeting.</li> </ul>

#### **VIII. GENERAL SHAREHOLDER INFORMATION**

<b>AGM : Date time, and venue</b>	<b>Saturday, September 28, 2013, 9.00 a.m. at the Registered Office of the Company at Unit No. 32/F, Laxmi Industrial Estate, Shree Laxmi Vijay Industrial Premises Co-op Society Ltd, Link Road, Andheri (West), Mumbai 400053</b>
<b>Financial Year</b>	April 1, 2012 to March 31, 2013
<b>Book Closure Dates</b>	September 24, 2013 to September 26, 2013 (both days inclusive)

<b>Financial Calendar (tentative)</b>	Board Meeting to approve quarterly financial results: <ul style="list-style-type: none"> <li>- July/August, 2013</li> <li>- October/November, 2013</li> <li>- January/February, 2013</li> <li>- Within 60 days from the year end date</li> </ul>
<b>Registered Office</b>	Unit No. 32/F, Laxmi Industrial Estate, Shree Laxmi Vijay Industrial Premises Co-op Society Ltd, Link Road, Andheri (West), Mumbai 400053
<b>Listing of Equity Shares</b>	BSE Limited, Mumbai
<b>Listing Fees</b>	Listing fee as per prescribed have been paid to this Stock Exchange up to 31 <sup>st</sup> March, 2014
<b>Stock Code and Demat ISIN No.</b>	Stock Code- 531337 ISIN- INE974C01022
<b>Share Registrar and Transfer Agent</b>	<b>Bigshare Services Private Limited</b> E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai- 400 072 Tel No: 91-22-2847 0652, 91-22-4043 0200 Fax No: 91-22-2847 5207 E-mail: <a href="mailto:ashok@bigshareonline.com">ashok@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
<b>Address of Regulatory Authority</b>	<b>Securities and Exchange Board of India</b> 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: <a href="mailto:sebi@sebi.gov.in">sebi@sebi.gov.in</a>
<b>Depository for Equity Shares-India</b>	<b>National Securities Depository Ltd.</b> Trade World, A wing, 4 <sup>th</sup> & 5 <sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai 400013. Tel No: (022) 2499 4200 Fax No: (022) 2497 6351 E-mail: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>  <b>Central Depository Services (India) Limited</b> 17 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai- 400001 Tel No: (022) 2272 3333

## 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

Equity Shares of the Company representing 13.57% of the Company's equity share capital are dematerialized as on March 31, 2013. 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 2012	8.54	6.33
May 2012	7.69	5.84
June 2012	8.87	5.25
July 2012	8.80	5.22
August 2012	9.74	5.33
September 2012	6.90	4.95
October 2012	6.89	5.58
November 2012	6.20	4.53
December 2012	6.81	4.69
January 2013	8.49	4.85
February 2013	8.04	5.03
March 2013	5.03	3.02



**XIII. DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2013**

Shareholding of Nominal (Rs.)	No. of Shareholders	Percentage	Amount	Percentage of Amount
1-5000	3339	79.01	5462635	1.09
5001-10000	358	8.47	2998955	0.60
10001-20000	183	4.33	2756320	0.55
20001-30000	102	2.41	2635385	0.52
30001-40000	44	1.04	1578985	0.31
40001-50000	34	0.80	1637740	0.32
50001-100000	58	1.37	4266480	0.85
100001-999999999	108	2.55	478474050	95.73
<b>Total</b>	<b>4226</b>		<b>499810550</b>	<b>100.00</b>

**XIV. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2013**

Category	No. of Shareholders	No. of Shares Held	% of Shareholding
Clearing Member	6	162155	0.16
Corporate Bodies	142	72513587	72.54
Non Resident Indians	14	47240	0.04
Promoters	4	1839297	1.84
Public	4060	25399831	25.40
<b>Total</b>	<b>4226</b>	<b>99962110</b>	<b>100.00</b>

**XV. 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

## **B. NON MANDATORY REQUIREMENTS**

The status of compliance in respect of Non-Mandatory requirements under Clause 49:-

- 1. Remuneration Committee** - The Company has constituted a Remuneration Committee to recommend appointment / re-appointment of Managing Director and Whole-Time Directors and to recommend / review remuneration of the Managing Director, Whole-time Directors and Non Executive Directors.

Remuneration Committee comprises of two Non-Executive Directors and one Executive Director. The Chairman of the Committee is an independent Director.

A meeting of the Remuneration Committee was held during financial year 2012-13 on 24<sup>th</sup> August, 2012.

The Chairman of the Remuneration Committee was present at the last Annual General Meeting.

- 2. Shareholders Communications** - The results are published in an English newspaper having a wide circulation and in English and Marathi newspapers having a wide circulation in Maharashtra.
- 3. Whistle Blower Policy** – Details are given under the heading “Disclosures”.
- 4. Training of Board Members** - The Company’s Board of Directors consists of professionals with expertise in their respective fields and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshops and seminars to keep themselves abreast with the changing business environment.
- 5. Mechanism for evaluating Non-Executive Board Members** - The Company has not yet adopted a policy for evaluation of Non-Executive Board members. Commission is distributed amongst the Non-Executive Board members currently based on attendance, this may be reviewed by the Board in future.

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

**Sd/-                      Sd/-**

**Rajendra Sharad Karnik      Kunal Ranjan**

**Chairman and Managing Director      Director**

**Place : Mumbai**

**Date : September 3, 2013**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

*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. GLOBAL MEDIA & ENTERTAINMENT INDUSTRY OVERVIEW**

There has been a tremendous expansion in the media and entertainment industry globally and Indian media is one of the fastest flourishing industry all over the world. The Entertainment Industry is bifurcated into different segments like TV, films, radio, music, animation etc. There has been a continuous advancement in this industry; new technologies are creeping in quickly, consumer behavior is changing day by day, expansion of the regional media, upcoming media ventures, digitization and an increase in competition have boosted its development to 11.8 percent in 2013. All these aspects push the media and entertainment industry towards a new sphere. A few days ago while watching the television, the screens went blank, this was an initiative taken by the government to propel digitalization in the whole country which would enhance the services of digital cable growth and direct-to-home (DTH) in India that would further carry on the GDP to 6.7 percent.

A market research report shows the Overall Entertainment Industry Size and its Flange in the next five years. Growth in all the sectors of media like television, music, digital advertising, animation, games etc. is projected to go up to 10 percent. Moving ahead these segments address a healthy expansion of Compound Annual Growth Rate (CAGR) to 15.2 percent which will attain a figure of INR 1661billion by the end of 2017.

According to an information provided by McKinsey, US will subject to India in the amount of the internet consumers by 2015. But the report also states that 75 percent of the 330-370 million internet users will be using the internet through the mobile internet facilities as it is easily accessible. The growth of the entertainment industry relies on the newly introduced technology that is "Digitalization". In digital format the

movies produced are easily distributed and cost effective, around 77 percent of movies are released in the digital format. Uday Shankar, Chairman of the FICCI, Media and Entertainment Committee and CEO of Star India stated “Digitization is a successful and a powerful alignment”.

## **2. INDIAN MEDIA & ENTERTAINMENT INDUSTRY OVERVIEW**

The rise in per capita income of the growing middle class will further propel urbanization. According to McKinsey & Company, in 2005, around 53 percent of the consumption was in the rural area but by 2025, 62 percent of the consumption will be in the urban area. This will lead to development of the smaller cities, which are now growing at a very fast pace. These cities will host a large number of the middle class and by 2025 around two-thirds of the Indian middle class will be outside the big metro cities like Delhi and Mumbai.

The Indian E&M industry, with revenues of about USD 17.2 billion in 2011, is set to grow robustly over the next few years on the back of steady macro-economic growth, rising spending power and positive demographic indicators. The industry revenues are expected to reach USD 37.6 billion by 2016, with a CAGR of about 17% from 2012 to 2016.

Indians between the age group of 18-26 are more tech savvy and spend more time on the internet than any other media, as well as being the highest consumers of media, in general.

We are confident that the media economy will remain in high growth, beyond the overall economy. There are two main drivers: Growing literacy and slightly improved affluence in the rural areas and smaller cities, above subsistence levels, mean that the market for newspapers and regional language media continues to be robust and will show growth for many years. Simultaneously, among India's middle class, digitization in TV, an increase in the number of FM licenses in radio, and the growth of smart phones and broadband connectivity, all mean that the media revolution experienced in the west during the past few decades is now being experienced in India, too, but within a compressed timescale.

### **Potential Game Changers**

**Advertising Spends:** Television and print dominate the advertising segment in India, with over 80% share of revenue. Digital advertising spend will now rapidly accelerate in absolute terms and proportionately.

**Consumer Spends:** Consumers will remain reluctant to pay high prices for content – a strongly ingrained cultural phenomenon. However, rising disposable incomes will lead to some growth in expenditure on TV and mobile subscriptions. There will also be an increasing willingness among the affluent to spend on media perceived as luxury items,

such as glossy magazines.

**Increasing penetration of Cable and satellite television:** While the existing penetration of cable and satellite television is around 83% of television households, there exists a sizeable disparity between different states. For example, locations such as Mumbai, Delhi, and Bangalore have cable & satellite television reaching more than 90% of total television households, while states like Orissa and Assam have a relatively lower penetration, with a potential for significant growth. This, coupled with the rising popularity of multi-television households indicates that a penetration potential is even much higher.

**Digitization of Media Delivery:** The digitization of cable networks will help deliver high quality content to Indian viewers and also reduce the incidence of value leakage from the industry. Further, the number of channels delivered to consumers will increase substantially. Digitization will also help drive the uptake of HD channels and value-added- services such as pay-per-view (e.g., movies), encouraging higher consumer spend and delivering higher profitability to broadcasters.

### **3. BUSINESS OVERVIEW**

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

Your Company besides providing high quality innovative content, continues to build its media assets and in the process continues to create value for the shareholders even in a year that was marked by sharp slowdown in the economy.

#### **Performance overview**

- Income from operations stood at Rs. 992,319,379.
- Other Income stood at Rs. 1,875,652.
- Loss for the year under review, abridged to Rs. 6,612,250 as compared to previous year's loss of Rs. 8,063,852.

### **4. SWOT ANALYSIS**

#### **Your Company believes in SWOT analysis**

##### **Strengths**

1. Media and Entertainment is one of the most booming sectors in India due to its vast customer reach. The various segments of the Media and Entertainment industry like television and film industry have a large customer base.
2. The growing middle class with higher disposable income has become the strength

of the Media and Entertainment Industry.

3. Change in the lifestyle and spending patterns of the Indian masses on entertainment.
4. Technological innovations like online distribution channels, web-stores, multi-and mega-plexes are complementing the ongoing revolution and the growth of the sector.
5. The low cost of production and high revenues ensure a good return on investment for Indian Media and Entertainment industry.

### **Weakness**

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

### **Opportunities**

#### **New Media**

Increasing importance of new media along with customers increasingly adapting their preferences to the new media devices and technologies, the media and entertainment sector certainly is marching towards new horizons of growth.

#### **Regulations**

The next growth wave in the industry is expected to come from the implementation of recently enacted regulations on digitization for cable. The other awaited events are copyright clarification and Phase 3 for Radio. The Phase 3 license would extend FM radio services to about 227 new cities and would result in coverage of all cities with a population of one lakh and above through private FM channels, this in turn will increase the consumption of music and will benefit companies. Roll out of 4G will also be a positive for the industry since it will increase the consumption of music and video viewing with increase in Internet speed.

#### **Regionalization**

Regional media consumption is expected to grow phenomenally in foreseeable future. Realizing the potential and power of regional media, many national and foreign players have already forayed into the segment, and many others are likely to follow suit, going forward this foray will increase regional media consumption.

### **Consumer preferences**

There is a huge demand for premium and special interest content like comedy, thriller, horror and action movies and demand for different type of music is also increasing. This can be seen with so many dedicated music channels coming up on television. To tap this niche market and understand the preferences of the consumer in this market through user behaviour, creating/ repurposing content for different platform is needed and this will effectively open more channels to monetize content leading to growth of the industry and the company.

### **Threats**

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

## **5. 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.

## **6. 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.

## **7. 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.

## **8. APPRECIATION**

The Management renders appreciation to the shareholders and Government organizations, its management team and staff, business associates, etc, for their continued support in the Company strive towards holding its place in the challenging Business Environment.

The management teams thanks all the stakeholders and looks forwards to their support in the forthcoming years.



**MANAGING DIRECTORS CERTIFICATION AS PER CLAUSE 49(V) OF THE  
LISTING AGREEMENT**

I, Rajendra Karnik, Managing Director, hereby certify on behalf of the Board, that in respect of the Financial Year ended on March, 2013.

1. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief :-
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. we have indicated to the auditors and the Audit Committee :-
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Company**

Sd/-

**Rajendra Karnik**

Managing Director

**DECLARATION BY THE CEO 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, 2013.

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

**Sd/-**  
**Rajendra Karnik**  
Chairman and Managing Director

**Place: Mumbai**

**Date: September 3, 2013**

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Iris Mediaworks Limited,

We have examined the compliance of conditions of Corporate Governance by Iris Mediaworks Limited, for the year ended March 31, 2013, as stipulated in Clause 49 of Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the condition of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For D. P. Agarwal & Company  
Chartered Accountants  
(Registration No.: 100068W )**

**Sd/-  
D. P. Agarwal  
Partner  
(Membership No.: 035500)**

**Place: Mumbai.**

**Date: September 3, 2013**

# **INDEPENDENT AUDITOR`S REPORT TO THE MEMBERS OF IRIS MEDIAWORKS LIMITED**

## **Report on the Financial Statement**

We have audited the accompanying financial statement of Iris Mediaworks Ltd (“the Company”) which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accounts of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor

considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

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

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
- (ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act,, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227 (3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement Comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Chartered Accountants

Sd/-

**D.P.AGARWAL FCA**

Proprietor

M. No. 35500

FRN: 100068W

Place: Mumbai

Dated: 29<sup>th</sup> May, 2013

### **Annexure to Independent Auditors' Report**

- i. (a) The Company has not 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 31<sup>st</sup> March, 2013 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.)
<b>Professional Tax</b>	33705/-
<b>Tax Deducted at Source</b>	832388/-
<b>FBT</b>	2990/-
<b>VAT Payable</b>	295442/-



- (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, 2013 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.597,872/- 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 not 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: 29<sup>th</sup> May, 2013

**IRIS MEDIAWORKS LTD**  
Balance Sheet as at 31st March, 2013

Particulars	Note No.		As At 31.03.2013		As At 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital					
(i) Equity Share Capital	1.1	499,810,550		499,810,550	
(ii) Equity Share Warrants	1.2	-		6,090,000	
(b) Reserves and Surplus	2	804,068,776	1,303,879,326	804,591,026	1,310,491,576
<b>(2) Share application money pending allotment</b>					
-					
<b>(3) Non-Current Liabilities</b>					
(a) Long-term borrowings	3	-		3,221,484	3,221,484
<b>(4) Current Liabilities</b>					
(a) Trade payables	4	581,862,166		453,295,601	
(b) Other current liabilities	5	564,952,600		138,684,432	
(c) Short-term provisions	6	1,273,118	1,148,087,884	1,250,692	593,230,725
<b>Total</b>			<b>2,451,967,210</b>		<b>1,906,943,784</b>
<b>II. Assets</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	7	5,354,009		6,239,409	
(ii) Intangible assets		15,386,933	20,740,943	20,515,911	26,755,320
(b) Non-current investments	8	763,643,000		779,842,990	
(c) Deferred tax assets (net)	9	352,164		163,585	
(d) Long term loans and advances	10	18,616,250		39,552,689	
(e) Other non-current assets	11	385,327,720	1,167,939,134	283,891,599	1,103,450,863
<b>(2) Current assets</b>					
(a) Current investments	12	326,015,000		336,095,000	
(b) Trade receivables	13	978,389,299		438,566,884	
(c) Cash and cash equivalents	14	(43,766,869)		280,362	
(d) Other current assets	15	2,649,703	1,263,287,133	1,795,354	776,737,600
<b>Total</b>			<b>2,451,967,210</b>		<b>1,906,943,784</b>

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 : May 29, 2013

**IRIS MEDIAWORKS LTD****Statement of Profit and Loss for the year ended 31st March, 2013****(Rs)**

<b>Particulars</b>	<b>Note No</b>	<b>As At 31.03.2013</b>	<b>As At 31.03.2012</b>
I. Revenue from operations	16	992,319,379	569,273,871
II. Other Income	17	1,875,652	4,453,416
<b>Total Revenue</b>		<b>994,195,031</b>	<b>573,727,287</b>
III. Expenses:			
Cost of materials			
Purchase of Stock-in-Trade	18	977,787,912	548,326,235
Employee benefit expense	19	211,710	485,807
Financial costs	20	365,381	846,635
Depreciation and amortization expenses	21	6,014,377	7,879,449
Other expenses	22	16,616,479	24,501,256
<b>Total Expenses</b>		<b>1,000,995,860</b>	<b>582,039,382</b>
IV. Profit before tax		<b>(6,800,829)</b>	<b>(8,312,095)</b>
V. Tax expense:			
(2) Deferred tax	23	(188,579)	(248,243)
VI. Profit(Loss) after tax		<b>(6,612,250)</b>	<b>(8,063,852)</b>
VII. Profit/(Loss) for the period		<b>(6,612,250)</b>	<b>(8,063,852)</b>
VIII. Earning per equity share:			
(1) Basic		(0.07)	(0.08)
(2) Diluted		(0.07)	(0.17)

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

sd/-  
(Director)

sd/-  
(Director)

Place : Mumbai  
Date : May 29, 2013

**IRIS MEDIAWORKS LTD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	PARTICULARS	YEAR ENDED	
		31.03.2013 Rs.	31.03.2012 Rs.
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit / ( Loss ) after tax as per Profit & Loss Account	(6,612,250)	(8,063,852)
	<b>Adjustments for :</b>		
	Current Year Tax Provision	-	-
	Deferred Tax Provision	(188,579)	(248,243)
	Misc. Expenses W/off	-	-
	Depreciation	6,014,377	7,879,449
	<b>Operating Profit before working capital changes</b>	<b>(786,451)</b>	<b>(432,646)</b>
	<b>Adjustments for :</b>		
	( Increase ) / Decrease in Inventories	-	-
	( Increase ) / Decrease in Sundry Debtors	(539,822,415)	(122,443,053)
	( Increase ) / Decrease in Loans & Advances	20,936,439	(17,476,059)
	( Increase ) / Decrease in Liabilities	(551,635,675)	(116,576,244)
	( Increase ) / Decrease in Capital	6,612,250	(449,515,000)
	( Increase ) / Decrease in Share Premium	-	(798,165,000)
	<b>Cash generated from operations</b>	<b>(1,064,695,853)</b>	<b>(1,504,608,002)</b>
	Direct taxes paid	-	-
	Prior Period Adjustment ( VAT paid )	-	-
	Excess provision for earlier years	-	-
	<b>NET CASH (USED IN) / FROM OPERATING ACTIVITIES</b>	<b>(1,064,695,853)</b>	<b>(1,504,608,002)</b>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Addition to Fixed Assets(net)	-	(28,490)
	Preliminary expenses	26,850	35,900
	Dividend & Interest Received	-	-
	Purchase of Investments (Net)	26,279,990	(341,187,180)
	<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>26,306,840</b>	<b>(341,179,770)</b>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Dividend paid	-	-
	Tax on Dividend Paid	-	-
	<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
	<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,091,002,693</b>	<b>1,163,428,232</b>
	Cash & Cash equivalents - Opening Balance	280,362	5,958,574
	Cash & Cash equivalents - Closing Balance	(43,766,869)	280,362
	<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(44,047,231)</b>	<b>(5,678,212)</b>

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

sd/-  
(Director)

sd/-  
(Director)

Place : Mumbai  
Date : May 29, 2013

**IRIS MEDIAWORKS LTD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**Note No. 1.1**

<b><u>Share Capital</u></b>	<b>AS AT 31.03.2013</b>	<b>(Rs) AS AT 31.03.2012</b>
<b>Authorised Share Capital</b>		
140000000 (31 March 2012 ) equity shares of Rs. 5/- each	700,000,000	700,000,000
	<u><u>700,000,000</u></u>	<u><u>700,000,000</u></u>
<b>Issued,Subscribed and fully Paid up</b>		
i. 99962110 (31 March 2012 :99962110 ) equity shares of Rs. 5/- each fully paid up	499,810,550	499,810,550
	<u>499,810,550</u>	<u>499,810,550</u>
<b>Total Issued subscribed and paid up share capital</b>	<u><u>499,810,550</u></u>	<u><u>499,810,550</u></u>

**Note No. 1.2**

**EQUITY SHARE WARRANTS**

**Convertible Equity Warrants**

i. At the beginning of the year	6,090,000	-
ii.1740000 Nos CEW of Rs.14 partly paid up Rs.3.50 Per CEW		6,090,000
Less : Forfeiture of 1740000 Nos CEW of Rs.14 partly paid up Rs.3.50 Per CEW	6,090,000	
	<u>-</u>	<u>6,090,000</u>

**DISCLOSURES**

**1.1 Reconciliation of the shares outstanding**

**i. Equity shares**

	<b>31 March 2013 Numbers</b>	<b>31 March 2012 Numbers</b>
i. At the beginning of the year	99,962,110	11,277,110
ii.On Conversion of Convertible Equity Warrants of Rs.14/-	-	88,685,000
<b>Outstanding at the end of the year</b>	<u>99,962,110</u>	<u>99,962,110</u>

**1.2 No Bonus shares issued immediattely preceeding five years from the date of balance sheet**

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

Name of the shareholders	As at 31-03-2013		As at 31-03-2012	
	Number of shares	Shareholding %	Number of shares	Shareholding %
L.N.Polyester Ltc	17650000	17.65	17650000	17.65
Regency Commosales Pvt Ltd	16250000	16.25	16250000	16.25
Shivam Mall Management Co.Pvt Ltd	9867500	9.87	9867500	9.87
Sally Media & Entertainment Pvt Ltd	13550000	13.55	13550000	13.55
Aillish Traders Pvt Ltd	8250000	8.25	13250000	13.25

## Reconciliation of Convertible Equity Warrants

### 1.4 i. Convertible Equity Warrants

	<u>31 March 2013</u> <u>Numbers</u>	<u>31 March 2012</u> <u>Numbers</u>
i. At the beginning of the year	1,740,000	
Allotment of 90425000 Convertible Equity Warrants of Rs.14/- each partly paid Rs.3.50/- per CEW	-	90,425,000
Less : Convert into equity shares as per term of issue	-	88,685,000
Less : Forfeiture of Convertible Equity Warrants	1,740,000	
<b>Outstanding at the end of the year</b>	<u>-</u>	<u>1,740,000</u>

### Note 2

#### RESERVES AND SURPLUS

##### A. General reserve

Balance at the beginning of the year	1,682,225	1,682,225
<b>Closing Balance</b>	<u>1,682,225</u>	<u>1,682,225</u>

##### B. Security premium account

Balance as per the last financial statements	824,550,550	26,385,550
Add: On conversion of 88685000 CEW each of Rs.14 Rs.9/- premium.	-	798,165,000
<b>Balance at the end of the year</b>	<u>824,550,550</u>	<u>824,550,550</u>

##### C. Capital Reserve

Forfeiture Reserve	6,090,000	-
	<u>6,090,000</u>	<u>-</u>

##### D. Surplus in the Statement of Profit and Loss

Balance as per the last financial statements	(21,641,749)	(13,577,897)
Add: surplus in the statement of profit and (loss)	(6,612,250)	(8,063,852)
	<u>(28,253,999)</u>	<u>(21,641,749)</u>

##### Reserves and Surplus ( A+B+C )

<u>804,068,776</u>	<u>804,591,026</u>
--------------------	--------------------

### Note 3

#### NON CURRENT LIABILITIES

##### Long Tern Borrowings

Canara Bank	-	3,221,484
	<u>-</u>	<u>3,221,484</u>

### Note 4

#### TRADE PAYABLE

*Trades Creditors	581,862,166	453,295,601
	<u>581,862,166</u>	<u>453,295,601</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 2013 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL

**Note 5****OTHER CURRENT LIABILITIES**

Creditors for Expenses	2,029,191	435,934
Directors Current Account	16,321,379	11,081,251
Trade Advance Received	508,654,783	124,350,000
Prof.Convertible Warrant Excess Money	37,947,247	2,817,247
	<b>564,952,600</b>	<b>138,684,432</b>

**Note 6****SHORT TERM PROVISIONS**

Statutory Provisions	1,273,118	1,250,692
	<b>1,273,118</b>	<b>1,250,692</b>

(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 8****NON CURRENT ASSETS**  
**DEFERRED TAX ASSETS (NET)**

Related to Fixed Assets		
Add : Differ Tax Exp./ ( Income )	352,164	163,585
Related to Preliminary Expenses	-	-
	<b>352,164</b>	<b>163,585</b>

**Note 9****NON CURRENT INVESTMENTS****(Rs)****Trade Investment**

Shares Application Money	763,643,000	779,842,990
	<b>763,643,000</b>	<b>779,842,990</b>

**Note 10****LONG TERM LOANS & ADVANCES**

Loans and Advances	18,616,250	39,552,689
	<b>18,616,250</b>	<b>39,552,689</b>

**Note 11****OTHER NON CURRENT ASSETS****31.03.2013****31.03.2012**

Vat-Deposit	30,000	30,000
Pratik Diamonds Pvt Ltd	340,000	340,000
With Holding Tax	8,505,905	6,411,352
Trade Advances	376,406,865	277,038,447
<b>Misc.Expenses</b>		
Preliminary Expenses	44,950	71,800
	<b>385,327,720</b>	<b>283,891,599</b>



**IRIS MEDIAWORKS LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

**FIXED ASSETS**

Note :-

7

(Rs)

Name of Asset	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.12	Additions During the Year	Deletions During the Year	As at 31.03.13	As at 01.04.12	For the Year	Deletions During Year	As at 31.03.13	As at 31.03.13	As at 31.03.12
<b>A.Intangible Assets</b>										
Film Rights	1,435,343	-	-	1,435,343	659,418	193,981	-	853,399	581,944	775,925
T.V.Serials	41,696,344	-	-	41,696,344	22,374,902	4,830,361	-	27,205,263	14,491,082	19,321,442
Channel Launch Show	1,000,000	-	-	1,000,000	581,456	104,636	-	686,092	313,908	418,544
<b>Total A</b>	<b>44,131,687</b>	<b>-</b>	<b>-</b>	<b>44,131,687</b>	<b>23,615,776</b>	<b>5,128,978</b>	<b>-</b>	<b>28,744,754</b>	<b>15,386,933</b>	<b>20,515,911</b>
<b>B.Tangible Assets</b>										
Computer	133,600	-	-	133,600	66,533	26,827	-	93,360	40,240	67,067
Playout Equipments Playout & Studio Equipments	5,462,000	-	-	5,462,000	3,818,063	228,672	-	4,046,735	1,415,265	1,643,937
Editing System	3,525,279	-	-	3,525,279	2,457,197	148,570	-	2,605,767	919,512	1,068,082
Tapeles Server	1,224,549	-	-	1,224,549	969,494	35,478	-	1,004,972	219,577	255,055
Satelite Server	4,300,000	-	-	4,300,000	3,005,799	180,023	-	3,185,822	1,114,178	1,294,201
Encryption System	365,745	-	-	365,745	253,303	15,641	-	268,944	96,801	112,442
Air Conditioner	4,802,671	-	-	4,802,671	3,276,935	212,230	-	3,489,165	1,313,506	1,525,736
FCP Machine	49,475	-	-	49,475	19,300	4,197	-	23,497	25,978	30,175
Refregerator	380,000	-	-	380,000	162,843	30,207	-	193,050	186,950	217,157
Television	10,000	-	-	10,000	1,094	1,239	-	2,333	7,667	8,906
	18,490	-	-	18,490	1,839	2,316	-	4,155	14,335	16,651
<b>Total B</b>	<b>20,271,809</b>	<b>-</b>	<b>-</b>	<b>20,271,809</b>	<b>14,032,400</b>	<b>885,400</b>	<b>-</b>	<b>14,917,800</b>	<b>5,354,009</b>	<b>6,239,409</b>
<b>Total A+B</b>	<b>64,403,496</b>	<b>-</b>	<b>-</b>	<b>64,403,496</b>	<b>37,648,176</b>	<b>6,014,377</b>	<b>-</b>	<b>43,662,553</b>	<b>20,740,943</b>	<b>26,755,320</b>
<b>(Previous Year)</b>	<b>64,375,006</b>	<b>28,490</b>	<b>-</b>	<b>64,403,496</b>	<b>29,768,727</b>	<b>7,879,449</b>	<b>-</b>	<b>37,648,176</b>	<b>26,755,320</b>	<b>34,606,279</b>

**Note 12****CURRENT INVESTMENTS****Current Investment (Non-trade)**

Shares Application-Unquoted	326,015,000	336,095,000
	<u>326,015,000</u>	<u>336,095,000</u>

**Note 13****TRADE RECEIVABLES (Unsecured)**

Debts overdue for a period exceeding six month

Considered good	157,243,465	-	162,498,068
Considered doubtful		-	
Others Trade Receivable			
Considered good	<u>821,145,834</u>	<u>978,389,299</u>	<u>276,068,816</u>
Considered doubtful		-	
<b>Total</b>	<b><u>978,389,299</u></b>		<b><u>438,566,884</u></b>

	<b>AS AT</b>	<b>(Rs)</b>
	<b>31.03.2013</b>	<b>AS AT</b>
		<b>31.03.2012</b>

**Note 14****CASH & CASH EQUIVALENTS**

Cash on Hand	84,383	25,525
Bank balance with Current Accounts	(43,851,252)	254,837
<b>Total</b>	<b><u>(43,766,869)</u></b>	<b><u>280,362</u></b>

**Note 15****OTHER CURRENT ASSETS**

Vat Input	32,089	32,089
Vat Refund F.Y.12-13	1,090	
Advance Income Tax	2,616,524	1,763,265
<b>Total</b>	<b><u>2,649,703</u></b>	<b><u>1,795,354</u></b>

**Note 16****REVENUE FROM OPERATIONS**

Export of Punjabi TV Programme	14,104,733	18,714,762
IT Product Trading Sales	978,214,646	550,159,109
Film Rights Sales	-	400,000
<b>Total</b>	<b><u>992,319,379</u></b>	<b><u>569,273,871</u></b>

**Note 17****OTHER INCOME**

Income from Foreign Exchange Flactuation	497,993	614,191
Interest Received	1,347,859	3,523,449
Profit on Sale of Shares	29,800	148,000
Misc.Income	-	167,776
<b>Total</b>	<b><u>1,875,652</u></b>	<b><u>4,453,416</u></b>

**Note 18****COST OF MATERIAL**

PURCHASE :		
IT Product Trading Purchase	977,787,912	548,326,235
	<b>977,787,912</b>	<b>548,326,235</b>

**Note 19****EMPLOYEE BENEFIT EXPENSES**

Staff Expenses	1,710	307
Salary Expenses	210,000	485,500
	<b>211,710</b>	<b>485,807</b>

**Note 20****FINANCIAL COST**

Bank Charges	44,738	104,397
Foreign Exchange Fluctuation	157,126	85,760
Interest on Term Loan	163,516	656,479
	<b>365,381</b>	<b>846,635</b>

	<b>(Rs)</b>
<b>AS AT</b>	<b>AS AT</b>
<b>31.03.2013</b>	<b>31.03.2012</b>

**Note 21****DEPRECIATION AND AMORTIZATION EXPENSES**

Depreciation	6,014,377	7,879,449
	<b>6,014,377</b>	<b>7,879,449</b>

**Note 22****OTHER EXPENSES**

Auditors Remuneration	27,500	27,500
Communication Expenses	83,313	132,310
Convayance, Vehical & Travelling Charges	56,842	49,756
Demat Charges	7,800	-
Fees and Subscriptions	-	44,000
Legal Professional and Other Charges	6,045,145	6,913,969
Printing and Stationery	69,781	6,445
Listing and RTA Fees	134,606	163,271
Repairs & Maintenance Expenses	2,616	53,037
Reimbursement Charges	601	-
Roc Filling Fees	45,672	-
Electricity Charges	110,030	77,689
Bussiness Promotion Expenses	-	51,927
General expenses	9,522	61,415
Office Rent	-	20,000
Postage & Courier Expenses	1,348	7,668
Selling and Distribution Expenses	4,892,100	7,485,197
Hire Charges	-	2,250
Loss on Sale of Investment	-	75,820
Preliminary Expenses	26,850	35,900
Security Charges	-	12,000
Bad Debts	5,102,755	9,227,055
License Fees	-	54,047
	<b>16,616,479</b>	<b>24,501,256</b>

**Note 23****DEFERED TAX**

Defere Tax Provision	(188,579)	(248,243)
	<u>(188,579)</u>	<u>(248,243)</u>

**Note 24****Notes to Accounts****24.1 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	AS AT 31.03.2013	AS AT 31.03.2012
Name of Related Party		
	Nature of Relationship	
1) Trade Payable Gee Info Media Pvt Ltd	Rajendra Karnik (Director)	11,597
		4,249,240
2) Trade Receivable Avance Technologies Ltd	Bimal Kamdar (Director)	366,754,783
		8,718,199

**24.2 Auditors Remuneration**

	AS AT 31.03.2013	AS AT 31.03.2012
Audit Fees	15,000	15,000
Tax Audit Fees	12,500	12,500
	<u>27,500</u>	<u>27,500</u>

**24.3 Earning Per Shares**

	Current Year	Previous Year
Net Profit for the year attributable to the Ordinary Shareholders	(6,612,250)	(8,063,852)
Weighted average number of Equity Shares of Rs 5/- each	499,810,550	499,810,550
Basic and Diluted Earning Per Share of Rs 5/- each	(0.013)	(0.016)

**24.4** 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 31<sup>ST</sup> MARCH 2013:-**

**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 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 reassure 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. 26,850/- had been written off as 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: 29<sup>th</sup> May, 2013.

FRN: 100068W



**ATTENDANCE SLIP**

**SHAREHOLDERS ATTENDING THE MEETING IN PERSON OR BY PROXY ARE REQUESTED TO COMPLETE  
THE ATTENDANCE SLIP AND HANDOVER AT THE ENTRANCE OF THE MEETING HALL.**

I hereby record my presence at the Annual General Meeting of the Company to be held on Saturday, 28<sup>th</sup> September, 2013 at 9.00 a.m. at Unit No. 32/F, Shree Laxmi Vijay Industrial Premises Co-Op. Society Ltd., Laxmi Industrial Estate, Link Road, Andheri (West), Mumbai – 400 053

NAME(S) OF THE SHAREHOLDER(S) (in block Capital): \_\_\_\_\_

NAME OF THE PROXY (in block capitals): \_\_\_\_\_

FOLIO NO. / CLIENT ID NO: \_\_\_\_\_

DP. ID NO: \_\_\_\_\_

SIGNATURE(S) IF SHAREHOLDER: \_\_\_\_\_

IF PROXY: \_\_\_\_\_

**NOTE:** No duplicate Attendance slip will be issued at the meeting Hall. You are requested to bring your copy of the Notice of AGM to the Meeting. Photo copies of the Attendance slips will not be accepted.

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**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of **IRIS MEDIAWORKS LIMITED** under Folio No. \_\_\_\_\_, hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ (Place) or failing him/her Mr./ Mrs. of \_\_\_\_\_ (Place) as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, the 28<sup>th</sup> day of September, 2013 or any adjournment thereof.

Signed this ----- day of ----- 2013

Signature \_\_\_\_\_

1 Rupee Revenue Stamp
-----------------------------

**Note:** This form duly completed and signed should be deposited at the Registered Office of the company not later than 48 hours before the time of the Meeting.

## BOOK POST

If undelivered, please return to,

**IRIS MEDIAWORKS LIMITED**

Unit no. 32/F, Laxmi Vijay Industries,  
Co-op Society Ltd., Laxmi Industrial Estate,  
Link Road, Andheri (West),  
Mumbai-400 053.