



**SPICY ENTERTAINMENT AND MEDIA LIMITED**

CIN: L22219WB2012PLCI88312

68, R.K. Chatterjee Road (Kasba), Rash Behari Connector

3rd Floor, Kolkata-700042, West Bengal

Tel: +91 88205 00005, 88204 00004

E-mail ID.: info@spicyy.in

Website: www.spicyy.in

November 13, 2018

The Secretary  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers, 1st Floor,  
Dalal Street, Fort,  
Mumbai – 400 001

**Scrip Code: 540084**

**Sub: Submission of Annual Report for the FY 2017-18**

Dear Sir /Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of M/s Spicy Entertainment and Media Limited for the Financial Year 2017-18 for your records and reference.

This is for your information and record.

Thanking you

Yours faithfully

**For Spicy Entertainment and Media Limited**

SPICY ENTERTAINMENT & MEDIA LTD.

Director/Authorised Signatory

**Vinod Kumar Agarwal**

**Director**

**08046056**

**Encl: As stated above**





**ANNUAL REPORT 2017-18**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Anindya Bikas Datta  
(DIN: 07274171), Managing Director

Ms. Sheetal Suresh Kale  
(DIN: 07762409), Independent Director

Mr. Vinod Kumar Agarwal  
(DIN: 08046056) Director

Mr. Sumit Bhoot  
(DIN: 08120225), Independent Director

### **AUDITORS**

M/s Bandyopadhyay & Dutt  
Chartered Accountants, Kolkata  
Statutory Auditors

### **BANKERS**

Axis Bank  
HDFC Bank

### **REGISTRAR & SHARE TRANSFER AGENT**

M/s Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata-700001, West Bengal  
Tel No. 033 2243 5809/5029, Fax No. 033 22484787  
Email Id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

### **REGISTERED OFFICE**

68, R.K. Chatterjee Road (Kasba)  
Rash Behari Connector, 3<sup>rd</sup> Floor  
Kolkata-700042, West Bengal

### **6<sup>TH</sup> ANNUAL GENERAL MEETING**

Day, Date & Time: Saturday, September 29, 2018 at 01:00 p.m.  
Venue: 68, R. K. Chatterjee Road (Kasba), Rash Behari Connector, 3<sup>rd</sup> Floor, Kolkata- 700042,

### **BOOK CLOSURE**

From Friday, September 21, 2018 to Saturday, September 29, 2018 (both days inclusive)

### **STOCK EXCHANGES WHERE SHARES OF THE COMPANY ARE LISTED**

BSE Limited

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## ***MISSION***

To become the world's leading global content company from the emerging markets. As a Corporate, we will be driven by content leadership based on innovation and creativity. Our focus will be on growth while delivering exceptional value to our customers, viewers and stakeholders.

## ***VISION***

Our vision is to emerge as a leading entertainment house and event management company that balances various platforms in a dynamically changing media environment, by establishing a sustainable connection with audiences and with our content library and its successful exploitation to ensure that it can be monetized through diversified platforms on a worldwide basis. Our strategy is designed to address predictability, scalability and sustainability, ultimately resulting in profitability.

## ***VALUES***

### 1) CUSTOMER FOCUS

Our Company's strategies are driven by the needs of the customer. Our success can be measured by the satisfaction achieved by our customer.

### 2) EXCELLENCE

We accord a high premium to maintaining superlative standards throughout our Company. We encourage our employees to come up with smarter ideas within the fastest possible time.

### 3) CREATIVITY

Key to our value system is innovation and originality. We recognise and have a high regard for individual expression and creative freedom in our quest to provide customer satisfaction.

#### 4) INTEGRITY

We observe strict ethical standards through editorial independence and creative expression, in order to earn the trust of our viewers and subscribers.

#### 5) GROWTH DRIVEN

We are committed to delivering consistent revenue and cash flow growth in order to provide our shareholders a good return. Our objective is to grow our people, market and businesses around the world.

## **EVENTS AND MILESTONES...**

In a short span of time, we have successfully managed below mentioned events:

❖ **NILACHOLEY KIRITI (2018)**



Nilacholey Kiriti is a Bengali, thriller drama film directed by Mr. Anindya Bikash Datta, Managing Director of our Company and produced by Ms. Rupa Datta. The film version is based on Basanta Rajani, the story of Kiriti Roy by Nihar Ranjan Gupta. This film was released on 9 February 2018 with the banner of Camellia Films Private Limited. The movie starred Indraneil Sengupta and Rituparna Sengupta in the lead roles. The movie also stars Arunima Ghosh, Samadarshi Dutta, Shantilal Mukherjee and Abhishek Chatterjee. A glance of the premiere of the movie can be viewed in our youtube channel "Studio Spicy" at the following the link

<https://www.youtube.com/watch?v=1Mc0Eeqw16o&t=101s>

❖ **SHOKUNER LOV (UPCOMING MOVIE)**

"Shokuner Lov" is an upcoming full-length Cinematograph film in Bengali language, starring Parambrata Chattopadhyay in the lead role, directed by our very own Mr. Anindya Bikas Datta. The said film will be co-produced by Spicy Entertainment and Media Ltd and Eros International Media Limited.

❖ **CODE NAME**





"Code Name" is a short movie directed by our Managing Director, Mr. Anindya Bikas Datta. The film stars Mr. Mahesh Jalan in the lead role. Recently, the film has been selected for screening at "SEVEN HILLS INTERNATIONAL FILM FESTIVAL (SHIFF)", 2018. The film shall be screened from the 3<sup>rd</sup> Day of September, 2018 until the 10<sup>th</sup> Day of September, 2018 in Pecs & Komlo, Hungary. The short movie is among the 24 other short films from 20 different countries competing for the "Hills Award 2018".

❖ SHIV BHAJANS BY MR. VIMAL LAHOTI

"Studio Spicy" is our YouTube channel that offers various videos of songs and events organized for our clients. The studio is used for in-house purpose as well. The viewers may enjoy Lord Shiva bhajans sung by the very talented Mr. Vimal Lahoti by following the below mentioned links:

(a) Dam Dam Damru Bajana Hoga: <https://www.youtube.com/watch?v=vwD64Z5wgjQ>

(b) Bhole Nirale Bade: <https://www.youtube.com/watch?v=bMqOmhCbdR0>

(c) Bholā Baghambar Wala: <https://www.youtube.com/watch?v=fmWK9hY4s24>

(d) Kanwad Yatra: <https://www.youtube.com/watch?v=pXpSqb2Y6cQ>

❖ YASHVI AND YASHAS VIDEO ALBUM (STUDIO SPICY)

The viewers may view the baby video shoot starring less than a year old Yashvi and Yashas, by following the link mentioned here <https://www.youtube.com/watch?v=GF LnkjXrl8&t=304s>

❖ CAR RALLY ORGANIZED BY THE LIONS CLUB, CALCUTTA

Lions Club International District 322B1 Centennial Car Rally 2018 in Association with Safe Drive Save Life with Treasure Hunt and Carnival was organized on 28<sup>th</sup> day of January, 2018. The same was shot by Studio Spicy and a glimpse of the same can be seen by following the link <https://www.youtube.com/watch?v=okW1DrJTLXc>



## **MESSAGE FROM THE MD...**



Dear Shareholders,

Financial Year 2017-18 was an interesting year by all accounts. As an industry, our resilience got challenged and as a Company, our strength and strategy were put to test. I am happy to say that both the industry and our Company emerged stronger from the challenges.

It is a matter of privilege to present the annual report of our company for Financial Year 2017-18. This year saw the strengthening and capacity building, both in terms of human resource as well as intangibles. The roadmap for the future has duly been planned.

I take this opportunity to inform all of you that your company has taken off in the entertainment business covering the television, movies and the digital business. We have invested largely on creation of high quality content to enable us to penetrate in the wide range of audiences running through all the three platforms.

The most valuable asset of our company is the creative team. I would like to thank the employees for their contribution and continued support. I also like to thank our shareholders for reposing faith in the company and look forward to your support to achieve our goals.

Regards

Anindya Bikas Datta  
Managing Director

## RISK MANAGEMENT FRAMEWORK

Your Company has a formal risk management process embedded within the business to identify and manage the risks. The market scenario is changing drastically owing to a dynamic competitive, legislative and financial environment. We have to face new business challenges, uncertainties and risks. Risk Management Framework provides organizational system for designing, implementing, monitoring, reviewing and improving risk management.

An effective risk management process requires consistent identification, prioritization, mitigation monitoring and communication of risk issues across the organization. Essential to this process is its alignment with corporate direction and objectives, specifically strategic planning and annual budgeting processes.



### Risk Identification

- Identify areas to be covered
- Establish context-internal and external factors
- Collate and categorise risks

### Risk Prioritization

- Develop a risk rating scale for prioritization based on potential impact, likelihood of occurrence and effectiveness of internal controls.
- Prioritise risks and identify risks that matter

### Risk Mitigation

- Assignment of risks to respective departments
- Formulate risk mitigation plan

### Risk Reporting

- Devise process for status update and reporting to management
- Periodically update the management

**FINANCIAL PERFORMANCE- AT A GLANCE**
**Statement of Profit and Loss Account**

<b>Particulars</b>	(Rs. in Lacs)	
	<b>2017-18</b>	<b>2016-17</b>
Revenue from Operations	142.00	1592.75
Other Income	66.07	3.80
Profit before Taxation	26.01	30.60
Profit after Taxation	19.45	17.33
Earnings Per Share (EPS) (Face Value Rs. 10/- each)	0.12	0.12

**Balance Sheet**

<b>Particulars</b>	(Rs. in Lacs)	
	<b>2017-18</b>	<b>2016-17</b>
Property, Plant and Equipment	10.88	4.09
Loans and Investments	171.10	165.90
Other Non-Current Assets	288.50	288.50
Current Assets	9502.37	6606.79
<b>TOTAL ASSETS</b>	<b>9972.86</b>	<b>7065.28</b>
Equity	1714.73	1695.28
Non-Current Liabilities	1.17	0.96
Current Liabilities	8256.96	5369.03
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9972.86</b>	<b>7065.28</b>

**Others**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Share Price on BSE (Per Share of Rs. 10/-) *	10.80	9.00
Market Capitalisation (Rs. in Lakhs)	1783.21	1486.01

\* Based on year end closing prices quoted on BSE Limited.

## DIRECTOR'S REPORT

### TO THE MEMBERS

#### SPICY ENTERTAINMENT AND MEDIA LIMITED

Your Directors have pleasure in presenting the Sixth (6th) Annual Report of Spicy Entertainment and Media Limited (hereinafter referred to as "the Company"), along with the Audited Accounts of your Company for the Financial Year ended March 31, 2018. The Financial performance of your Company during the Financial Year ended March 31, 2018, as compared to the previous financial year are summarised below:

**Rs. in Lakhs**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017*
Total Income	208.07	1596.56
Total Expenditure	182.05	1565.96
Profit Before Taxation	26.02	30.60
Tax Expense	6.56	13.27
Profit for the Period	19.44	17.33
Brought forward from the previous year	44.16	26.83
Surplus carried to Balance Sheet	63.60	44.16

#### Financial Performance

\*Your Company has prepared the Financial Statements for the financial year ended March 31, 2018 under Sections 129, 133 and Schedule II to the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Due to the applicability of Companies (Indian Accounting Standards) Rules, 2016 for the first time, last year figures i.e. for financial year ending on March 31, 2017 have been revalued, wherever considered necessary.

The Company's total income during the year stood at Rs. 208.07 Lakhs, as compared to Rs. 1596.56 Lakhs in the previous year. The Company's profit before tax is Rs. 26.02 Lakhs during the year, as compared to Rs. 30.60 Lakhs in the previous year. The Company earned a net profit of Rs. 19.44 Lakhs, as against a net profit of Rs. 17.33 Lakhs in the previous year.

#### Dividend

Your Directors did not recommend any dividend to its shareholders for the financial year 2017-18, keeping in mind various financials and business plans of the Company.

#### Amounts proposed to carry to the reserves

The Company has not transferred any amount out of the profit earned to reserve account during the year under review. The entire profit earned during the year under review is being carried forward under Profit & Loss Account.

## **Material changes and commitments affecting financial position between the end of the financial year and date of report**

There have been no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial year relate and the date of this report.

## **Significant/Material orders passed by the regulators**

There were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

## **Risk Management and adequacy of Internal Financial Controls**

The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting record and providing reliable financial information. Your Company's Internal Control ensures that all assets of the Company are safeguarded and protected, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately.

Your Company has an adequate system of internal financial controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Such practice provides reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with the applicable legislations. Your Company also monitors through its Internal Audit Team the requirements of processes in order to prevent or timely detect unauthorized acquisition, use or disposition of the Company's Assets which could have a material effect on the Financial Statements of the Company. The Internal Audit function is responsible to assist the Audit Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

During the year under review, the Internal Financial Control Audit was carried out by the Statutory Auditors, the Report of which is forming part of this Annual Report.

## **Deposits**

During the year under review, the Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules framed thereunder the term of **M/s Bandyopadhyay & Dutt**, Chartered Accountants, Kolkata, as the Statutory of the Company will conclude from the close of the ensuing Annual General Meeting of the Company.

The Board places on record its appreciation for the services rendered by **M/s Bandyopadhyay & Dutt** as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s RAK Champs and Co. LLP, Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) with Firm Registration No. 131094W/W100083, as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

### **Secretarial Auditor**

In terms of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed Ms. Monalisa Datta, Practicing Company Secretary (Certificate of Practice No. 13580), as the Secretarial Auditor.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as **[Annexure-A]** to this report.

### **Details of Subsidiary/ Joint Ventures/Associate Companies**

The Company does not have any subsidiary/joint ventures/associate companies.

### **Share Capital**

The Authorised Share Capital of the Company stands at Rs. 17,00,00,000/- divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of Rs. 10/- each. At present the Issued, Subscribed and Paid Up Share Capital of your Company is Rs. 16,51,12,500/- divided into 1,65,11,250 Equity Shares of Rs. 10/- each, fully paid-up.

### **Extract of Annual Return**

The extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is annexed herewith as **[Annexure-B]** to this Report.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

#### **a) Particulars of Conservation of Energy, Technology Absorption**

The Provisions of Section 134(m) of the Act relating to conservation of energy and technology absorption do not apply to this Company as the Company has not carried out any manufacturing activities.

## **b) Foreign Exchange Earnings and Outgo**

During the year under review there was no foreign exchange outgo nor was any foreign exchange earned.

## **Directors and Key Managerial Personnel**

The Company has a duly constituted Board of Directors which is in compliance with the requirements of the Companies Act, 2013, schedules thereto and rules framed there under and also in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Articles of Association of the Company.

### **i. Declaration by Independent Directors**

All the Independent Directors have given a declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 read with the rules made there under and as per Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfil the conditions of Independence as specified in the Act and the rules made there under.

### **ii. Non-Independent Director**

In accordance with the provisions of Companies Act, 2013, Mr. Anindya Bikas Datta (DIN: 07274171), Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his appointment with a view to avail his valuable advices and wise counsel.

A brief profile of the above Director seeking appointment/re-appointment required as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be provided in the Notice of Annual General Meeting of the Company.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 164 (2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### **iii.Changes in Directorship/Key Managerial Personnel during the year**

Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Director of the Company with effect from January 11, 2018 by the Board of Directors of the Company.

Mr. Sumit Bhoot (DIN: 08120225) was appointed as Director of the Company with effect from April 27, 2018 by the Board of Directors of the Company.

Mr. Anil Kumar Sajjan Kumar Sharma (DIN: 07047852) resigned from the Directorship of the Company with effect from November 21, 2017.

Ms. Diprani Thakur resigned from the post of Whole Time Secretary of the Company with effect from November 21, 2017.



Mr. Abhishek Das (DIN: 07083079) resigned from the Directorship of the Company with effect from February 15, 2018.

Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018. The Board places on record their sincere appreciation and gratitude for the assistance and guidance provided by them during their tenure as Directors of the Company.

#### **iv. Familiarisation Programme undertaken for Independent Directors**

The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The Director is also explained in detail the various compliances required from him/her as a Director under the various provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The details of familiarisation programme are available on the website of the Company viz. [www.spicyy.in](http://www.spicyy.in).

#### **Annual Evaluation of Board's performance**

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following:

- i. Board of Directors as a whole;
- ii. Committees of the Board of Directors;
- iii. Individual Directors including the Chairman of the Board of the Directors.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI in January 2017, your Company has carried out a Performance Evaluation for the Board / Committees of the Board / Individual Directors including the Chairman of the Board of Directors for the financial year ended March 31, 2018. The key objectives of conducting the Board Evaluation were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in Board Meetings and contribute to achieve the common business goal of the Company.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provided their feedback. Duly completed feedback were sent to the Chairman of the Board and the Chairman / Chairperson of the respective Committees of the Board for their consideration. The Performance Evaluation feedback of the Chairman was sent to the Chairperson of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation to the Board of Directors. All the criteria of Evaluation as envisaged in the SEBI Circular on 'Guidance Note on Board Evaluation' had been adhered to by your Company.

## The Board of Directors

### a. Composition and Category of Directors

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and provisions of the Articles of Association of the Company. Your Board has been constituted with requisite diversity, wisdom and experience commensurate to the scale of operations of your Company. The Company has a judicious combination of Executive and Non-Executive Directors. As on March 31, 2018. The Board has an appropriate mix of knowledge, wisdom and varied industry experience to guide the Company in achieving its objectives in a sustainable manner. The Board comprised of Four (4) Directors out of which One (1) is Executive Director, One (1) is Non-Executive Director and Two (2) are Independent Directors. The Chairman of the Board is Executive Director.

The details of each member of the Board along with the number of Directorship/Committee Membership are given below:

Name	Category of Director	Directorship in other Public Limited Companies	No. of Board Committees in which Chairman/ Member	
			Chairman	Member
Mr. Anindya Bikas Datta	Managing Director/Chairman	-	-	-
Mr. Vinod Kumar Agarwal	Non-Executive Director	-	-	-
Ms. Sheetal Suresh Kale	Independent Director	-	-	-
Mr. Konthoujam Sumeet Singha	Independent Director	-	-	-
Mr. Sumit Bhoot	Independent Director	-	-	-
Mr. Anilkumar Sajjankumar Sharma	Independent Director	-	-	-

#### Notes:

1. Mr. Anilkumar Sajjankumar Sharma (DIN: 07047852) resigned from the Directorship of the Company with effect from November 21, 2017.
2. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Additional (Non-Executive) Director of the Company with effect from January 11, 2018.
3. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
4. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.
5. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
6. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholder Relationship Committee in other Public Limited Company. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
7. None of the Directors are inter-se related with each other.

## Number of Meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets. The necessary quorum was present for all the meetings.

In the Financial Year 2017-2018, the Board met Nine (9) times. The details of Board Meetings held during the year are listed below. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and as per Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sl. No	Date of Board Meeting	Total strength of the Board	No. of director present
1.	April 24, 2017	4	4
2.	May 30, 2017	4	4
3.	July 10, 2017	4	4
4.	August 23, 2017	4	4
5.	November 21, 2017	4	4
6.	December 14, 2017	4	4
7.	January 06, 2018	4	4
8.	January 11, 2018	4	4
9.	February 15, 2018	4	4

Attendance at aforesaid Board Meetings, at last Annual General Meeting of each of the Directors as on March 31, 2018 is given below:

Name of the Director	Category of Directorship	Attendance at the Board Meeting(s)		Attendance at last AGM
		Held	Attended	
Mr. Anindya Bikas Datta	Managing Director	9	9	Yes
Mr. Vinod Kumar Agarwal	Non-Executive Director	9	2	NA
Ms. Sheetal Suresh Kale	Independent Director	9	9	Yes
Mr. Konthoujam Sumeet Singha	Independent Director	9	9	Yes
Mr. Sumit Bhoot	Independent Director	9	-	NA

### Notes:

1. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Additional (Non-Executive) Director of the Company with effect from January 11, 2018.
2. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
3. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.

## **Meeting of Independent Director**

In compliance with the requirements of Schedule IV to the Companies Act, 2013 read with Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate meeting of the Independent Directors was held on March 05, 2018, where all the Independent Directors were present. The Independent Directors discussed inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **Appointment and tenure of Directors**

The Directors of the Company are appointed by the Members at the General Meetings. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. Other than Managing Director and Independent Directors, not less than two-thirds of the total number of Directors are liable to retire by rotation, out of which one-third shall retire at every AGM and if eligible, may seek approval from the Members for their re-appointment.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company were appointed for a period of five years by the Members of the Company at the General Meetings.

A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation / removal, etc., as specified under Schedule IV to the Companies Act, 2013 has been issued to each of the Independent Directors subsequent to obtaining approval of the Members to their respective appointments. The terms and conditions of such appointment of the Independent Directors are also made available on the website of the Company at [www.spicyy.in](http://www.spicyy.in).

In compliance with Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed / re-appointed will be provided in the Notice calling Annual General Meeting.

## **Committees of the Board**

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act, 2013. Details of all the above Committees along with the composition and meetings held during the year under review are provided below.

### **Audit Committee**

The Board of Directors of the Company has constituted an Audit Committee of the Board in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with

Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The Audit Committee of the Company meets every quarter and inter alia, to review the financial results for the half yearly/yearly ended before the same are approved at Board Meetings, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The Audit Committee may also meet from time to time, if required.

Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Accounts, etc. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

### **Composition of the Committee, Meetings and Attendance**

The Audit Committee consists of two Independent Directors and one Executive Director. Mr. Abhishek Awasthi, Independent Director is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee met Four (4) times during the Financial Year 2017-18. The maximum gap between two Meetings was not more than 120 days. The Committee met on May 30, 2017, August 23, 2017, December 13, 2017 & February 14, 2018. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company.

The Table below provides the attendance of the Audit Committee members.

Name	Category	Designation	Meeting(s)	
			Held	Attended
Mr. Konthoujam Sumeet Singha	Independent Director	Chairman	4	4
Ms. Sheetal Suresh Kale	Independent Director	Member	4	4
Mr. Anindya Bikas Datta	Managing Director	Member	4	4
Mr. Sumit Bhoot	Independent Director	Member	-	-

#### **Notes:**

1. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
2. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.

The Audit Committee has been vested, inter-alia, with the following powers:

1. To investigate any activity within its terms of reference
2. To seek information from any employee

3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Terms of Reference**

The Audit Committee reviews the Reports of the Internal Auditor and the Statutory Auditors periodically and discuss their findings. The role of the Audit Committee is as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
- b. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors, fixing of audit fees.
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Section 134(3)(c) of the Companies Act, 2013;
  - Changes, if any, in the accounting policies and practices and the reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with the Listing Regulations and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report, if any.
- e. Reviewing, with the management, the financial statements before submission to the board for approval.
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- h. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- i. Discussion with the internal auditors any significant findings and follow-up thereon;
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- k. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- l. To look 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.
- m. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
- n. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- o. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
- p. Mandatorily reviews the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- q. Review the Financial Statements of its Subsidiary Company, if any.
- r. Review the composition of the Board of Directors of its Subsidiary Company, if any.
- s. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc.) on a half yearly basis as a part of the half yearly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.
- t. In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

In addition, the Audit Committee also reviews the following:

- Management Discussion and Analysis of financial condition and results and operations;
- Statement of Related Party Transactions;
- Management letters/letters of internal control weaknesses; and
- The appointment, removal and terms of remuneration of Internal Auditor.

### **Nomination and Remuneration Committee**

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

## Meeting and Attendance

The Committee met once during the financial year 2017-18 on January 03, 2018. The requisite quorum was present at the Meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination & Remuneration Committee.

Name	Category	Designation	Meeting(s)	
			Held	Attended
Ms. Sheetal Suresh Kale	Independent Director	Chairman	1	1
Mr. Konthoujam Sumeet Singha	Independent Director	Member	1	1
Mr. Abhishek Das	Director	Member	1	1
Mr. Vinod Kumar Agarwal	Director	Member	-	-
Mr. Sumit Bhoot	Independent Director	Member	-	-

### Notes:

1. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Director of the Company with effect from January 11, 2018.
2. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
3. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.
4. Mr. Abhishek Das (DIN: 07083079) resigned from the Directorship of the Company with effect from February 15, 2018.

### Terms of Reference

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

- The committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.



## Remuneration Policy

The success of the organization in achieving good performance and good governing practices depends on its ability to attract and retain individual with requisite knowledge and excellence as executive and non-executive directors. The Nomination and Remuneration Policy of the Company is annexed herewith as [Annexure- C] to this Report.

### Details of Remuneration to all Directors

The details of remuneration paid to the Directors for the year ended March 31, 2018 are as under:

Name	Designation	Salary	Perquisites	Sitting Fees	Total
Mr. Anindya Bikas Datta	Managing Director	96,500	-	-	96,500
Mr. Konthoujam Sumeet Singha	Independent Director	-	-	-	-
Ms. Sheetal Suresh Kale	Independent Director	-	-	-	-
Mr. Vinod Kumar Agarwal	Director	50,000	-	-	50,000
Mr. Abhishek Das	Director	75,000	-	-	75,000
Mr. Anilkumar Sajjankumar Sharma	Independent Director	-	-	-	-

#### Notes:

1. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Director of the Company with effect from January 11, 2018.
2. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
3. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.
4. Mr. Abhishek Das (DIN: 07083079) resigned from the Directorship of the Company with effect from February 15, 2018.

### Disclosure pursuant to Part-II, Section-II, 3<sup>rd</sup> Provision, Point No-IV of Schedule-V under Section 196 and 197 of all the Directors

- All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc of all the Directors- As stated above
- Details of fixed component and performance linked incentives along with performance criteria- Nil
- Service Contracts, notice period, severance fees- Not Applicable
- Stock options details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable- Not Applicable

## Stakeholder Relationship Committee

### Composition

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Meeting & Attendance

The Committee met Four (4) times during the financial year 2017-18 on May 30, 2017; August, 23, 2017; December 13, 2017 and February 14, 2018. The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2017-18 is detailed below:

Name	Category	Designation	Meeting(s)	
			Held	Attended
Mr. Anindya Bikas Datta	Managing Director	Chairman	4	4
Mr. Konthoujam Sumeet Singha	Independent Director	Member	4	4
Ms. Sheetal Suresh Kale	Independent Director	Member	4	4
Mr. Vinod Kumar Agarwal	Director	Member	-	-

### Notes:

1. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
2. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Director of the Company with effect from January 11, 2018.

The Board has clearly defined the terms of reference for this committee. The Committee looks into the matters of Shareholders/Investors grievances along with other matters or any other duties that may be delegated to the Committee by the Board of Directors from time to time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited attend to all grievances of the shareholders received directly or via any other authority. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the Investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

In compliance with the requirements of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User Id and Password for processing the investor complaints in a centralized web-based SEBI Complaints Redress System - 'SCORES'. This enables the investors to view online the action taken by the Company on their complaints and current status thereof, by logging on to the SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in).

No shareholder complaints were lying unresolved as on March 31, 2018 under 'SCORES'.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on March 31, 2018 and that all requests for issue of new certificates, sub-division or consolidation of shareholdings, etc., received upto March 31, 2018 have since been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares of the Company through National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL).

## **Whistle Blower Policy/Vigil Mechanism**

In terms of provisions of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, your Company has a vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be communicated. For this purpose, your Board adopted a Whistle Blower Policy which has been uploaded on the website of the Company at [www.spicyy.in](http://www.spicyy.in).

## **Policy on Prevention of Sexual Harassment of Women at workplace**

The Company as an organization is committed to provide a healthy environment to all employees and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has adopted a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Your Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the Organization.

No complaints were received during the financial year 2017-2018.

## **Particulars of Loans, Guarantees and Investments**

The Company has not given any Loans, Guarantees or Investments or provided security in terms of Section 186 of the Companies Act, 2013 during the year under review.

## **Related Party Transactions**

During the financial year ended March 31, 2018, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the 'ordinary course of business' and 'at arm's length' basis. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Board shall formulate a Policy to determine Material Subsidiary as and when considered appropriate in the future.

During the year under review, your Company did not enter into any Related Party Transactions which require prior approval of the Members. All Related Party Transactions of your Company had prior approval of the Audit Committee and the Board of Directors, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Subsequently, the Audit Committee and the Board have reviewed the Related Party Transactions on a quarterly basis.

During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company.

Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore details required to be provided in the prescribed Form AOC - 2 is not applicable to the Company. Necessary disclosures required under the Ind AS 24 have been made in the Notes to Financial Statements.

As required under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which is available at the website of the Company viz. [www.spicyy.in](http://www.spicyy.in).

#### **Disclosure relating to remuneration of Directors, Key Managerial Personnel and Employees:**

A statement containing the details of the Remuneration of Directors, Key Managerial Personnel (KMP) and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **[Annexure-D]** to this Report.

The Company have no employee drawing a remuneration of Rs. 60,00,000/- (Rupees Sixty Lakhs) per annum or part thereof in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **Corporate Governance**

The Company being listed on the Small and Medium Enterprise platform is exempted from provisions of corporate governance as per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence no corporate governance report is disclosed in this Annual Report. It is pertinent to mention that the Company follows majority of the provisions of the Corporate Governance voluntarily.

#### **Management Discussion & Analysis**

The Management Discussion and Analysis Report on the operations of the Company, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as **[Annexure-E]** to this Report.

#### **Compliance with Secretarial Standards on Board and General Meetings**

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

#### **Directors Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- in the preparation of the Annual Accounts for the financial year ended March 31, 2018, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including any

statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there are no material departures from the same;

- 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, 2018 and of the profit & loss of the Company for the Financial Year March 31, 2018;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **Acknowledgement**

Your Directors take this opportunity to convey their appreciation to all the members, listeners, advertisers, media agencies, dealers, suppliers, bankers, regulatory and government authorities and all other business associates for their continued support and confidence in the management of the Company.

Your Directors are pleased to place on record their appreciation of the consistent contribution made by employees at all levels through their hard work, dedication, solidarity and co-operation and acknowledge that their efforts have enabled the Company to achieve new heights of success.

**For and on behalf of the Board**

**Place: Kolkata**  
**Date: May 30, 2018**

**Anindya Bikas Datta**  
**Managing Director**  
**DIN: 07274171**

**Vinod Kumar Agarwal**  
**Director**  
**DIN: 08046056**

[Annexure-A]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

**To,**  
**The Members,**  
**Spicy Entertainment and Media Limited**  
68, R. K. Chatterjee Road (Kasba)  
Rash Behari Connector, 3<sup>rd</sup> Floor  
Kolkata-700042, West Bengal

Dear Sir(s),

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Spicy Entertainment and Media Limited, CIN: L70102MH2008PLC184142** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 has substantially complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings (**not applicable to the Company during the audit period**);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the Company during the Audit period)**;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit period)**;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit period)**;
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit period)**, and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit period)**.

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has substantially complied with the general laws applicable to the Company. Based on the information, explanations and management representation, the Company has substantially complied with the Tax laws applicable to the Company.

I have also examined compliance with the applicable clause of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Board Meetings, General Meetings and Dividend.
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-executive Directors, Woman Director and Independent Directors. The changes in

the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.
3. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. In spite of efforts made, the Company was not able to appoint Chief Financial Officer (CFO) as Key Managerial Personnel under Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules.
5. Ms. Diprani Thakur, Whole Time Company Secretary of the Company resigned from the Company with effect from November 21, 2017 after which no other appointments took place in substitution during the financial year under review.

**I further report that** during the audit period:

1. The Statutory Auditors M/s Bandyopadhyay & Dutt, Chartered Accountants, Kolkata had been appointed in the Annual General meeting of the Company held on 18<sup>th</sup> September, 2017 for a term of three years.

**Monalisa Datta**  
**Practicing Company Secretary**  
**Membership No: 30368**  
**CP No: 13580**

**Place: Kolkata**  
**Date: May 30, 2018**

This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms integral part of this report.



**'Annexure A'**

**To,**  
**The Members,**  
**M/s Spicy Entertainment and Media Limited**  
68, R. K. Chatterjee Road (Kasba)  
Rash Behari Connector, 3<sup>rd</sup> Floor  
Kolkata-700042, West Bengal

Dear Sir(s),

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my Audit.
2. I have followed the audit practices and processes as were appropriated to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**Monalisa Datta**  
**Practicing Company Secretary**  
**Membership No: 30368**  
**CP No: 13580**

**Place: Kolkata**  
**Date: May 30, 2018**

[Annexure-B]

**FORM NO. MGT 9**  
**Extract of Annual Return**  
**As on financial year ended on 31.03.2018**

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

<b>I REGISTRATION &amp; OTHER DETAILS:</b>					
i	CIN	L22219WB2012PLC188312			
ii	Registration Date	15-Nov-12			
iii	Name of the Company	Spicy Entertainment and Media Limited			
iv	Category/Sub-category of the Company	Public Company/Limited by Shares			
v	Address of the Registered office & contact details	68, R. K. Chatterjee Road (Kasba), Rash Behari Connector, 3rd Floor, Kolkata-700042, West Bengal Email: info@spicyy.in			
vi	Whether listed company	Yes			
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Maheshwari Datamatics Pvt Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001, Phone : 033 22435029 / 22482248, Fax : 033 22484787, Email : mdpldc@yahoo.com			
<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>					
All the business activities contributing 10% or more of the total turnover of the company shall be stated					
SL No	Name & Description of main products/services	NIC Code of the Product /service		% to total turnover of the company	
1	Other creative arts and entertainment activities	90009		100.00%	
<b>III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
j) Category-wise Share Holding										
Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]					No of Shares held at the end of the year [As on 31/Mar/2018]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the Year	
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	5000	0	5000	0.0303	5000	0	5000	0.0303	0.0000	
b) Central Govt										
c) State Govt(s)										
d) Bodies Corp.	4245000	0	4245000	25.7097	4245000	0	4245000	25.7097	0.0000	
e) Banks/Fi										
f) Any other										
<b>Sub-total (A)(1)</b>	4250000	0	4250000	25.7400	4250000	0	4250000	25.7400	0.0000	
<b>(2) Foreign</b>										
a) NRIs - Individuals										
b) Other - Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000	
<b>Total shareholding of Promoter</b>	4250000	0	4250000	25.7400	4250000	0	4250000	25.7400	0.0000	
<b>(A)=(A)(1)+(A)(2)</b>										
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds										
b) Banks/FI										
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) FIIs										
h) Foreign Venture Capital Funds										
i) Others (specify)										
Alternate Investment Funds										
Foreign Portfolio Investors										
Provident Funds / Pension Funds										
Qualified Foreign Investor										
<b>Sub-total(B)(1):-</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000	

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1177850	9500	1187350	7.1912	3224100	9500	3233600	19.5842	12.3930
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2161900	237000	2398900	14.5289	1879400	197000	2076400	12.5757	-1.9532
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8370000	215000	8585000	51.9949	6706250	215000	6921250	41.9184	-10.0765
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	90000	0	90000	0.5451	30000	0	30000	0.1817	-0.3634
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI									
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total(B)(2):-</b>	11799750	461500	12261250	74.2601	11839750	421500	12261250	74.2600	-0.0001
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	11799750	461500	12261250	74.2601	11839750	421500	12261250	74.2600	-0.0001
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	16049750	461500	16511250	100.0000	16089750	421500	16511250	100.0000	0.0000

ii) Shareholding of Promoters-									
SI No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2017]			Shareholding at the end of the year [As on 31/Mar/2018]			% change in share holding during the Year	
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares		
1	PINK LADY MERCHANDISE PRIVATE LIMITED	4245000	25.7097	0.0000	4245000	25.7097	0.0000	0.0000	
2	ANINDYA BIKAS DATTA	5000	0.0303	0.0000	5000	0.0303	0.0000	0.0000	
	<b>TOTAL</b>	<b>4250000</b>	<b>25.7400</b>	<b>0.0000</b>	<b>4250000</b>	<b>25.7400</b>	<b>0.0000</b>	<b>0.0000</b>	

iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PINK LADY MERCHANDISE PRIVATE LIMITED				
	01-04-2017	4245000	25.7097		
	31-03-2018	4245000	25.7097	4245000	25.7097
2	ANINDYA BIKAS DATTA				
	01-04-2017	5000	0.0303		
	31-03-2018	5000	0.0303	5000	0.0303

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	INTEGRATED MASTER SECURITIES (P) LTD				
	01-04-2017	0	0.0000		
	07/04/2017 - Transfer	20000	0.1211	20000	0.1211
	02/06/2017 - Transfer	-20000	0.1211	0	0.0000
	16/06/2017 - Transfer	80000	0.4845	80000	0.4845
	30/06/2017 - Transfer	-80000	0.4845	0	0.0000
	25/08/2017 - Transfer	10000	0.0606	10000	0.0606
	13/10/2017 - Transfer	20000	0.1211	30000	0.1817
	27/10/2017 - Transfer	30000	0.1817	60000	0.3634
	03/11/2017 - Transfer	20000	0.1211	80000	0.4845
	10/11/2017 - Transfer	70000	0.4240	150000	0.9085
	17/11/2017 - Transfer	40000	0.2423	190000	1.1507
	01/12/2017 - Transfer	60000	0.3634	250000	1.5141
	22/12/2017 - Transfer	-20000	0.1211	230000	1.3930
	29/12/2017 - Transfer	130000	0.7873	360000	2.1803
	05/01/2018 - Transfer	60000	0.3634	420000	2.5437
	12/01/2018 - Transfer	170000	1.0296	590000	3.5733
	19/01/2018 - Transfer	140000	0.8484	730000	4.4239
	26/01/2018 - Transfer	70000	0.4240	800000	4.8452
	02/02/2018 - Transfer	50000	0.3028	850000	5.1480
	16/02/2018 - Transfer	40000	0.2423	890000	5.3903
	23/02/2018 - Transfer	80000	0.4845	970000	5.8748
	02/03/2018 - Transfer	-200000	1.2113	770000	4.6635
	09/03/2018 - Transfer	50000	0.3028	820000	4.9663
	16/03/2018 - Transfer	-750000	4.5424	70000	0.4240
	23/03/2018 - Transfer	-60000	0.3634	10000	0.0606
	30/03/2018 - Transfer	-10000	0.0606	0	0.0000
	31-03-2018	0	0.0000	0	0.0000
2	NAYSAA SECURITIES LIMITED #				
	01-04-2017	210000	1.2719		
	07/04/2017 - Transfer	-10000	0.0606	200000	1.2113
	28/04/2017 - Transfer	-30000	0.1817	170000	1.0296
	19/05/2017 - Transfer	10000	0.0606	180000	1.0902
	02/06/2017 - Transfer	20000	0.1211	200000	1.2113
	09/06/2017 - Transfer	10000	0.0606	210000	1.2719
	16/06/2017 - Transfer	-50000	0.3028	160000	0.9690
	23/06/2017 - Transfer	10000	0.0606	170000	1.0296
	14/07/2017 - Transfer	10000	0.0606	180000	1.0902
	01/09/2017 - Transfer	10000	0.0606	190000	1.1507
	13/10/2017 - Transfer	-20000	0.1211	170000	1.0296
	20/10/2017 - Transfer	10000	0.0606	180000	1.0902
	10/11/2017 - Transfer	-10000	0.0606	170000	1.0296
	29/12/2017 - Transfer	-10000	0.0606	160000	0.9690
	05/01/2018 - Transfer	-140000	0.8479	20000	0.1211
	16/02/2018 - Transfer	-10000	0.0606	10000	0.0606
	31-03-2018	10000	0.0606	10000	0.0606
3	VEDANTA RESOURCES PRIVATE LIMITED *				
	01-04-2017	0	0.0000		
	07/07/2017 - Transfer	200000	1.2113	200000	1.2113
	14/07/2017 - Transfer	60000	0.3634	260000	1.5747
	31-03-2018	260000	1.5747	260000	1.5747

iv) Shareholding Pattern of top ten Shareholders					
(Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	OM SARVAVIDYA CONSULTANTS LLP				
	01-04-2017	473500	2.8677		
	14/07/2017 - Transfer	-10000	0.0606	463500	2.8072
	26/01/2018 - Transfer	30000	0.1817	493500	2.9889
	09/02/2018 - Transfer	5000	0.0303	498500	3.0192
	02/03/2018 - Transfer	6250	0.0379	504750	3.0570
	16/03/2018 - Transfer	285000	1.7261	789750	4.7831
	23/03/2018 - Transfer	5000	0.0303	794750	4.8134
	30/03/2018 - Transfer	-5000	0.0303	789750	4.7831
	31-03-2018	789750	4.7831	789750	4.7831
5	TISTA TRADELINKS PRIVATE LIMITED *				
	01-04-2017	20000	0.1211		
	14/07/2017 - Transfer	-20000	0.1211	0	0.0000
	20/10/2017 - Transfer	10000	0.0606	10000	0.0606
	19/01/2018 - Transfer	20000	0.1212	30000	0.1818
	02/02/2018 - Transfer	10000	0.0606	40000	0.2423
	16/02/2018 - Transfer	40000	0.2423	80000	0.4845
	23/02/2018 - Transfer	20000	0.1211	100000	0.6056
	02/03/2018 - Transfer	10000	0.0606	110000	0.6662
	09/03/2018 - Transfer	20000	0.1211	130000	0.7873
	16/03/2018 - Transfer	190000	1.1507	320000	1.9381
	23/03/2018 - Transfer	10000	0.0606	330000	1.9986
	31-03-2018	330000	1.9986	330000	1.9986
6	VIEWPOINT ADVISORY PRIVATE LIMITED *				
	01-04-2017	0	0.0000		
	30/06/2017 - Transfer	50000	0.3028	50000	0.3028
	07/07/2017 - Transfer	-50000	0.3028	0	0.0000
	05/01/2018 - Transfer	10000	0.0606	10000	0.0606
	12/01/2018 - Transfer	30000	0.1817	40000	0.2423
	16/02/2018 - Transfer	50000	0.3028	90000	0.5451
	23/02/2018 - Transfer	30000	0.1817	120000	0.7268
	02/03/2018 - Transfer	20000	0.1211	140000	0.8479
	09/03/2018 - Transfer	20000	0.1211	160000	0.9690
	16/03/2018 - Transfer	60000	0.3634	220000	1.3324
	23/03/2018 - Transfer	20000	0.1211	240000	1.4536
	31-03-2018	240000	1.4536	240000	1.4536
7	JAIPRAKASH GOYAL				
	01-04-2017	310000	1.8775		
	31-03-2018	310000	1.8775	310000	1.8775
8	RAJESH KUMAR GOYAL				
	01-04-2017	310000	1.8775		
	31-03-2018	310000	1.8775	310000	1.8775
9	AMRISH DEVDA #				
	01-04-2017	200000	1.2113		
	31-03-2018	200000	1.2113	200000	1.2113
10	SHIV KUMAR GOEL				
	01-04-2017	240000	1.4536		
	31-03-2018	240000	1.4536	240000	1.4536
11	ANJANA GOYAL				
	01-04-2017	240000	1.4536		
	31-03-2018	240000	1.4536	240000	1.4536



iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	RATNANIDHI ADVISORY SERVICES LLP *				
	01-04-2017	30000	0.1817		
	14/07/2017 - Transfer	-30000	0.1817	0	0.0000
	02/03/2018 - Transfer	250000	1.5141	250000	1.5141
	31-03-2018	250000	1.5141	250000	1.5141
13	KAMLESH BHAGWANDAS BATHIJA				
	01-04-2017	250000	1.5141		
	31-03-2018	250000	1.5141	250000	1.5141
14	SHOBHA JAIN #				
	01-04-2017	200000	1.2113		
	31-03-2018	200000	1.2113	200000	1.2113
15	SUNNY JAIN #				
	01-04-2017	200000	1.2113		
	31-03-2018	200000	1.2113	200000	1.2113
*	Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.				
#	Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.				

v) Shareholding of Directors and Key Managerial Personnel					
Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANINDYA BIKAS DATTA				
	01-04-2017	5000	0.0428		
	31-03-2018	5000	0.0428	5000	0.0428

**vi) Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**vii) Remuneration of Directors and Key Managerial Personnel**
**A) Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
<b>1</b>	<b>Gross salary</b>	Anindya Bikas Datta	Vinod Kumar Agarwal	Abhishek Das	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	96,500.00	50,000.00	75,000.00	2,21,500.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>96,500.00</b>	<b>50,000.00</b>	<b>75,000.00</b>	<b>2,21,500.00</b>
	<b>Overall Ceiling as per the Act</b>				

**B) Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
		Sheetal Suresh Kale	Sumit Bhoot		
<b>1</b>	<b>Independent Directors</b>	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
<b>2</b>	<b>Other Non Executive Directors</b>	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-
	<b>Overall Ceiling as per the Act.</b>				

**C) Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
<b>1</b>	<b>Gross Salary</b>	Diprani Thakur CS		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	63,500.00		<b>63,500.00</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>63,500.00</b>		<b>63,500.00</b>

<b>viii) Penalties/Punishment/Compounding of Offences</b>						
<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty/Punishment/Compounding fees imposed</b>	<b>Authority (RD/NCLT/Court)</b>	<b>Appeal made if any (give details)</b>	
<b>A. Company</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil	
Compounding	Nil	Nil	Nil	Nil	Nil	
<b>B. Directors/Other officers in Default</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil	
Compounding	Nil	Nil	Nil	Nil	Nil	

[Annexure-C]

## NOMINATION & REMUNERATION POLICY

### PREAMBLE

The Board of Directors of “Spicy Entertainment and Media Limited” (“the Company”) had constituted a Nomination and Remuneration Committee consisting of three (3) Directors, of which two directors are Independent Directors.

### OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The key objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f) To devise a policy on Board diversity
- g) To develop a succession plan for the Board and to regularly review the plan.

### DEFINITIONS

- a) “**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- b) “**Board**” means Board of Directors of the Company.
- c) “**Directors**” mean Directors of the Company.
- d) “**Key Managerial Personnel**” means
  - i. Chief Executive Officer or the Managing Director or the Manager;
  - ii. Whole-time director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary; and
  - v. Such other officer as may be prescribed.
- e) “**Senior Management**” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.
- f) “**Independent Director**”:- As provided under Section 149(6) of the Companies Act, 2013. ‘Independent Director’ shall mean a non-executive director, other than a managing director or a whole-time director or a nominee director of the Company:

- i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- ii. a) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
b) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- iii. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- iv. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year; -
- v. who, neither himself nor any of his relatives-
  - a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
    - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - c) holds together with his relatives two percent or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
  - e) who possesses such other qualifications as may be prescribed.

## **ROLE OF COMMITTEE**

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

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

## **b) Policy for appointment and removal of Director, KMP and Senior Management**

### **i. Appointment criteria and qualifications**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **ii. Term / Tenure**

- **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director; it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Agreement, from time to time.

### **iii. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly). The following criteria are to be followed for reviewing the director's performance:

- a. Accomplishment of the organization's mission, objectives and strategic results for which the Executive Director is responsible.
- b. Ensuring that the Board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Company.
- c. Adequacy of processes which monitor business performance, Board member interaction with management, adequacy of Board knowledge, adequacy of business strategy, Board being informed, evaluation process for executives and Director.
- d. Appropriateness of balance and mix of skills, size of Board, contribution of individual Board members, adequacy of performance feedback to Board members, adequacy of procedures dealing with inadequate performance by a Board member.
- e. Board's effectiveness in use of time, whether Board allowed sufficient opportunity to adequately assess management performance.
- f. Working relationship between chairman and chief executive officer, segregation of duties between Board and management, ability of Directors to express views to each other and to management in a constructive manner, adequacy of Board discussions and management of divergent views.
- g. The evaluation will take annually as per the requirement of law and Listing Agreement. The performance evaluation will typically address activities, events and accomplishments that took place during the most recently completed fiscal year.

### **iv. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **v. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



**c) Policy relating to the Remuneration for the Director, KMP and Senior Management Personnel**

**i. General:**

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director, KMP and Senior Management Personnel shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, KMP and Senior Management Personnel.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**ii. Remuneration to Director, KMP and Senior Management Personnel:**

➤ **Fixed pay:**

The Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

➤ **Minimum Remuneration:**

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

➤ **Provisions for excess remuneration:**

If any Director, KMP and Senior Management Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall

refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**iii. Remuneration to Non- Executive / Independent Director:**

➤ **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

➤ **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

➤ **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

➤ **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**MEMBERSHIP**

- a) The Committee shall consist of a minimum 3 directors, majority of them being independent.
- b) Minimum two (2) members, one of which must be an Independent Director, shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRPERSON**

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

### **COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

### **VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### **NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters, as may be requested by the Board.

### **REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- a) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.

- b) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) To consider any other matters as may be requested by the Board.
- e) Professional indemnity and liability insurance for Directors and senior management.

**MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**AMENDMENT(S)/MODIFICATION(S)**

The Nomination and Remuneration Committee will review and may amend/modify this policy from time to time.

**[Annexure-D]**

**Disclosure in Directors' Report pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**(i)** The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Anindya Bikas Datta (Managing Director)	1.45
2.	Mr. Abhishek Das (Executive Director)	1.12
3.	Mr. Konthoujam Sumeet Singha (Independent Director)	-
4.	Mr. Anilkumar Sajjankumar Sharma (Independent Director)	-
5.	Ms. Sheetal Suresh Kale (Independent Director)	-
6.	Mr. Vinod Kumar Agarwal (Non-Executive Director)	0.75

**Notes:**

1. Mr. Anil Kumar Sajjan Kumar Sharma (DIN: 07047852) resigned from the Directorship of the Company with effect from November 21, 2017
2. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
3. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.
4. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Director of the Company with effect from January 11, 2018.
5. Mr. Abhishek Das (DIN: 07083079) resigned from the Directorship of the Company with effect from February 15, 2018.

**(ii)** The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

Sl. No.	Name of the Director	Percentage increase in Remuneration
1.	Mr. Anindya Bikas Datta (Managing Director)	Nil
2.	Mr. Abhishek Das (Executive Director)	Nil
3.	Mr. Konthoujam Sumeet Singha (Independent Director)	Nil
4.	Mr. Anilkumar Sajjankumar Sharma (Independent Director)	Nil
5.	Ms. Sheetal Suresh Kale	Nil

	(Independent Director)	
6.	Mr. Vinod Kumar Agarwal (Non-Executive Director)	Nil
7.	Ms. Diprani Thakur (Company Secretary)	Nil

**Notes:**

1. Mr. Anil Kumar Sajjan Kumar Sharma (DIN: 07047852) resigned from the Directorship of the Company with effect from November 21, 2017
2. Mr. Konthoujam Sumeet Singha (DIN: 07359768) resigned from the Directorship of the Company with effect from April 27, 2018.
3. Mr. Sumit Bhoot (DIN: 08120225) was appointed as an Additional Director (Independent) of the Company with effect from April 27, 2018.
4. Mr. Vinod Kumar Agarwal (DIN: 08046056) was appointed as Director of the Company with effect from January 11, 2018.
5. Mr. Abhishek Das (DIN: 07083079) resigned from the Directorship of the Company with effect from February 15, 2018.
6. Ms. Diprani Thakur resigned from the post of Whole Time Secretary of the Company with effect from November 21, 2017.

**(iii) The percentage increase in the median remuneration of employees in the financial year:**

During the FY 2017-18, there has been no increase in the median remuneration of employees as compared to previous year.

**(iv) The number of permanent employees on the rolls of the Company:**

There were 10 permanent employees as on March 31, 2018.

**(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there is any exceptional circumstances for increase in the managerial remuneration:**

There has been no increase in the average salary of employees and average remuneration of Key Managerial Personnel during the financial year 2017-18.

**(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:**

Remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.

## CEO / CFO CERTIFICATE

To,  
The Board of Directors  
M/s Spicy Entertainment and Media Limited

I the undersigned, in my capacity of Managing Director of M/s Spicy Entertainment and Media Limited ("the Company") to the best of my knowledge and belief certify that:

- 1) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of my knowledge and belief, I state that:
  - 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) I further state that to the best of my 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) I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which I am aware and the steps taken or propose to rectify these deficiencies.
- 4) I have indicated to the Auditors and the Audit Committee:
  - a. that there are no significant changes in internal control over financial reporting during the year;
  - b. that there are no significant changes in accounting policies during the year;
  - c. that there are no instances of significant fraud of which we have become aware.

**For Spicy Entertainment and Media Limited**

**Place: Kolkata**  
**Date: May 30, 2018**

**Anindya Bikas Datta**  
**Managing Director**  
**DIN: 07274171**

## [Annexure-E]

### **Management Discussion & Analysis Report**

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments in principal markets and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

### **Indian Macroeconomic Outlook**

India continues to be one of the fastest growing economies in the world. After the temporary deceleration due to the impact of demonetisation and implementation of Goods and Services Tax (GST), the recovery in economic growth is now largely complete. It is estimated that GDP grew at more than 7% in the second half of fiscal 2018. During FY18, there were several positive developments in the economy, which will further accelerate this growth over the next few years. The long-delayed GST was finally implemented and it will go a long way in improving the business environment in the country. Government's focus on infrastructure development, banking reforms and affordable housing, amongst others, will support the growth in the medium term. Growth in some segments of the rural economy has been slower in the recent past. However, forecast of a normal monsoon bodes well for the agriculture sector and would drive the rural consumption.

### **Indian Media and Entertainment Industry**

The Indian media and entertainment (M&E) industry witnessed another year of all-round growth. The pace of growth marginally accelerated in CY17, despite the lingering effect of demonetization and the impact of GST roll-out. According to the FICCI-EY Report 2018 (Report), M&E industry grew by 12.6% YoY in CY17, to ₹ 1,473 billion. Despite the strong growth over the past several years, India's per capita entertainment consumption is much lower than not only the developed markets but also countries with similar income levels. This provides a significant headroom for sustained growth driven by rising disposable incomes and increasing access to entertainment content. According to the Report, the Indian M&E industry is expected to grow at a CAGR of 11.3% to ₹ 2,032 billion over the next three years, driven by growth in all the segments.

### **Digital Media**

The demand for large OTT platforms in India such as You Tube, Netflix, Amazon, Eros Now, Jio Cinema, etc has significantly increased the demand for films' digital rights. The sudden surge in demand for exclusive rights has resulted in significant increase in the value of digital rights, which as per industry estimates have increased multi-fold (depending on the length of the deal and the type of rights acquired) over the last two to three years.



Digital media has grown significantly over the past few years, and continues to lead the growth charts on advertising. Subscription revenues are emerging and are expected to make their presence felt by 2020.

### **Digital infrastructure**

The rapid up-take of connected devices, especially smartphones and tablets, is instrumental in media consumption shifting beyond traditional media formats such as broadcast and cable TV toward digital mediums. Increased digital consumption in India is expected to help media conglomerates drive consumer aggregation.

### **4G networks grew**

The adoption of 4G is gradually increasing and now 3G and 4G constitute over 75% of the overall wireless internet user base. The year 2016 witnessed 62% growth in mobile broadband speed to reach 4.1 mpbs, which further increased to 8 mbps by end of 2017.

### **Data charges fell significantly**

There has been a rapid increase in data consumption across the country triggered by falling data prices. Before the launch of Jio, the average monthly data consumption per user was around 600 MB, which has grown to almost 4 GB per user per month in 2017. This is further expected to cross 18 GB by 2023. Mobile data consumption in India is higher than that of USA and China put together.

### **Internet users grew**

The growth of connectivity resulted in the proportionate growth of internet users to 481 million in 2017, of which 295 million were in urban areas and 186 million in rural areas. Approximately 30% were female users. Internet users are expected to cross 500 million in 2018 and reach 829 million by 2021. The digital sector is poised to witness the entrance of first time internet users especially from smaller towns and rural areas. Rural Internet users are expected to grow from 38% to 52% of total base from 2017 to 2021. This will have a significant impact on the type and language of content that will be offered.

### **Online Video viewership grew**

Approximately 250 million people viewed videos online in 2017, a growth of 64% over 2016. This number is expected to double to 500 million by 2020. Consumers have shown increased preference toward short-form content, with the average length of a video viewed in India being around 20 minutes. In addition, 62% of the content consumed on YouTube is short-form content. Also videos as a percentage of total mobile data traffic is expected to grow from around 40% in 2015 to 79% in 2020.

With the growing online Video viewership, the Company has launched its own page on You Tube named "STUDIO SPICY". The Company has uploaded various Videos, Bhajans, Songs, etc on its exclusive page and the viewership has seen the upward trend on the page since the day of its launch.

## **Outlook**

The Media & Entertainment industry has seen influx of new broadcasters and advent of digital media platforms post internet boom which has led to a large addressable base consuming entertainment content. We believe that we are one of the largest beneficiaries of this new digital phase of the industry. Our focus will always be to innovate our product offerings and continue to partner with newer players.

## **Company performance overview**

The Company has reported profits during the year under review. The operational performance of the Company is on the growth path. The Financial & operational details are mentioned in the Financial Statements.

## **Independent Auditor's Report**

### **To the Members of Spicy Entertainment and Media Limited**

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

We have audited the accompanying standalone Ind AS financial statements of **Spicy Entertainment and Media Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and statement of change in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

#### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report

under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Basis of Qualification**

The company has given advances to the party without providing any interest. However in absence of authenticated information, the impact of the same on the financial statement could not be quantified.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effect and /or possible effects of the matter described in the "basis of qualified opinion" stated above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the change in equity for the year ended on that date.

## **Emphasis of Matter**

We draw attention to the following matters in the notes to the standalone Ind AS financial statements

- a) Other income includes gain on fair valuation of Investment in equity instrument of a non public company which is based on unaudited financial statement.
- b) Goods and Service Tax Return are subject to reconciliation and revision.
- c) Confirmation of Sundry Debtors, Sundry Creditors and Loans and Advances has not been fully obtained.

Our Opinion is not qualified in this regard.

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

- .1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters Specified in the paragraphs 3 and 4 of the Order.
- .2 As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There is no pending litigation on the Company.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Bandyopadhyay & Dutt**

**Chartered Accountants**

**Firm Registration No.: 325116E**

**CA P K Bandyopadhyay**

**Partner**

**Membership No 055658**

**Place: Kolkata**

**Date: May 30, 2018**

## **ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirement' sections of our report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) Fixed assets have been physically verified by the Management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any immovable properties.
- ii) As explained to us, Inventories have been physically verified by the Management at reasonable intervals during the year, and no discrepancies have noticed by the Company.
- iii) As per the information and explanation given to us, the company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, sub-clause (a), (b) and (c) of clause (iii) of Paragraph 3 of the order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposit from the public as stipulated under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under and the directives issued by the Reserve Bank of India.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business/services rendered by the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the

books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no material statutory dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of further public offer (including debt instruments) and term loans during the year. The money raised by way of initial public offer were applied for the purposes for which those are raised.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **BANDYOPADHYAY & DUTT**  
Chartered Accountants  
[Firm Registration No.325116E]

**Pronab Kr Bandyopadhyay**  
Partner

Kolkata  
Dated: 30/05/2018

[Membership no.055658]

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF Spicy Entertainment and Media Limited**

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

We have audited the internal financial controls over financial reporting of **Spicy Entertainment and Media Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Bandyopadhyay & Dutt**

**Chartered Accountants**

**Firm Registration No.: 325116E**

**CA P K Bandyopadhyay**

**Partner**

**Membership No 055658**

**Place: Kolkata**

**Date: May 30, 2018**

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Balance Sheet as at 31st March 2018**

	Notes	As at 31.03.2018	As at 31.03.2017	Rs. As at 01.04.2016
<b>(I) ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	4	10,88,481	4,08,890	5,95,988
		<u>10,88,481</u>	<u>4,08,890</u>	<u>5,95,988</u>
(b) Financial assets				
(i) Investments in equity instruments	5	1,66,15,062	1,61,00,000	-
(ii) Other financial assets	6	4,94,850	4,90,350	8,350
(c) Other non-current assets	7	2,88,50,000	2,88,50,000	1,38,50,000
(d) Deferred tax assets (Net)	8	-	-	3,43,795
		<u>4,70,48,393</u>	<u>4,58,49,240</u>	<u>1,47,98,133</u>
<b>(2) Current Assets</b>				
(a) Inventories	9	-	55,00,000	44,610
(b) Financial assets				
(i) Trade receivables	10	4,77,75,356	28,58,75,356	1,89,47,612
(ii) Cash and cash equivalent	11	13,89,515	13,12,488	6,63,012
(iii) Other financial assets	12	84,24,67,588	36,62,95,388	8,99,14,600
(c) Other current assets	13	5,86,04,761	16,95,498	14,57,423
		<u>95,02,37,220</u>	<u>66,06,78,730</u>	<u>11,10,27,257</u>
<b>TOTAL ASSETS</b>		<b><u>99,72,85,613</u></b>	<b><u>70,65,27,970</u></b>	<b><u>12,58,25,390</u></b>
<b>(II) EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	14	16,51,12,500	16,51,12,500	11,69,12,500
(b) Other equity	15	63,60,657	44,15,951	26,82,688
		<u>17,14,73,157</u>	<u>16,95,28,451</u>	<u>11,95,95,188</u>
<b>(2) Non-current liabilities</b>				
(a) Deferred tax liability (Net)	8	1,16,645	96,484	-
		<u>1,16,645</u>	<u>96,484</u>	<u>-</u>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	16	24,00,200	17,55,251	21,06,073
(ii) Other financial liabilities	17	62,000	-	-
(b) Other current liabilities	18	82,25,96,953	53,26,57,085	25,19,956
(c) Current Income tax liabilities (net)		6,36,658	24,90,700	16,04,174
		<u>82,56,95,811</u>	<u>53,69,03,036</u>	<u>62,30,203</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>99,72,85,613</u></b>	<b><u>70,65,27,970</u></b>	<b><u>12,58,25,390</u></b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For and on behalf of the Board of Directors

**For Bandyopadhyay & Dutt**

 Chartered Accountants  
 Firm Regn No 325116E

 Anindya Bikas Datta  
 Managing Director  
 DIN: 07274171

 Vinod Kumar Agarwal  
 Director  
 DIN: 08046056

**CA P K Bandyopadhyay**

 Partner  
 Membership No. 055658

 Date- 30th May, 2018  
 Place - Kolkata

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Statement of Profit and Loss for the year ended 31st March, 2018**

		Rs.	
	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
(1) Revenue from operations	19	1,42,00,000	15,92,75,547
(2) Other income	20	66,06,718	3,80,399
<b>(3) Total Revenue (1) + (2)</b>		<b>2,08,06,718</b>	<b>15,96,55,946</b>
<b>(4) EXPENSES</b>			
(a) Purchase of Stock in Trade	21	50,00,000	15,53,90,000
(b) Changes in inventories of finished products and work in progress	22	55,00,000	(54,55,390)
(c) Employee benefits expense	23	21,52,200	13,92,242
(d) Finance costs	24	1,49,435	1,07,894
(e) Depreciation expense	25	1,73,170	1,87,098
(f) Other expenses	26	52,30,388	49,74,034
<b>Total Expenses (4)</b>		<b>1,82,05,193</b>	<b>15,65,95,878</b>
<b>(5) Profit before exceptional items (3) - (4)</b>		<b>26,01,526</b>	<b>30,60,068</b>
<b>(6) Exceptional items</b>			
(a) Profit on sale of assets		-	-
(b) Profit on sale of long term investments		-	-
<b>Total exceptional items</b>		<b>-</b>	<b>-</b>
<b>(7) Profit before tax (5) - (6)</b>		<b>26,01,526</b>	<b>30,60,068</b>
<b>(8) Tax Expense</b>			
(a) Current tax	27		
(i). Current tax for current period		6,36,658	8,86,527
(ii). Current tax for the previous periods		-	-
(b) Deferred tax	27		
(i). Deferred tax for current period		20,161	4,40,279
(ii). Deferred tax relating to previous years		-	-
<b>Total tax expense (6)</b>		<b>6,56,819</b>	<b>13,26,806</b>
<b>(9) Profit for the period (5) - (6)</b>		<b>19,44,707</b>	<b>17,33,263</b>
<b>(10) Other comprehensive income</b>			
7.7 Items that will not be reclassified to statement of profit and loss			
(i). Remeasurement of the employees defined benefit plans		-	-
(ii). Income tax relating to items that will not be reclassified to profit and loss		-	-
<b>Total other comprehensive income (8)</b>		<b>-</b>	<b>-</b>
<b>(11) Total comprehensive income for the period (7) + (8)</b>		<b>19,44,707</b>	<b>17,33,263</b>
<b>(12) Earnings per equity share: (Face value of share of Rs 10 each)</b>	<b>28</b>		
(a) Basic		0.12	0.12
(b) Diluted		0.12	0.12

See accompanying notes forming part of the financial statements

As per terms of our report attached

For and on Behalf of Board of Directors

**For Bandyopadhyay & Dutt**

 Chartered Accountants  
 Firm Regn No 325116E

 Anindya Bikas Datta  
 Managing Director  
 DIN: 07274171

 Vinod Kumar Agarwal  
 Director  
 DIN: 08046056

**P K Bandyopadhyay**  
 Partner  
 Membership No. 055658

 Date- 30th May, 2018  
 Place - Kolkata

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Cash Flow Statement for the year ended 31 March, 2018**

	Rs. For the year ended 31.03.2018	Rs. For the year ended 31.03.2017
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit for the period</b>	19,44,707	17,33,263
<i>Adjustments for:</i>		
Income tax expenses recognised in the statement of profit and loss	6,56,819	13,26,806
Depreciation expense	1,73,170	1,87,098
Interest income	(60,68,904)	-
Interest expenses	1,49,435	1,07,894
(Profit)/loss on revaluation of investment in equity instruments	(5,15,062)	(3,50,000)
Deferred tax	-	-
<b>Operating profit before working capital changes</b>	(36,59,835)	30,05,060
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	55,00,000	(54,55,390)
Trade receivables	23,81,00,000	(26,69,27,744)
Non-current financial Assets	(4,500)	(4,82,000)
Other non-current assets	-	-
Current financial assets	-	-
Other current assets	(5,69,09,262)	(2,38,075)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Non-current liabilities		
Trade Payables	6,44,949	(3,50,822)
Other current liabilities	28,99,39,868	53,01,37,129
Provisions	-	-
<b>Cash generated from operations</b>	47,36,11,220	25,96,88,158
Direct taxes paid	(24,90,700)	-
<b>Net cash generated from operating activities</b>	47,11,20,520	25,96,88,158
<b>B. Cash Flow from Investing activities:</b>		
Purchase of property, plant & equipment	(7,90,761)	(1,50,00,000)
Sale of property, plant & equipment	-	-
Sale/(Purchase) of investment in equity instrument	-	(1,57,50,000)
Purchase of investments in associates	-	-
Movement in loans and advances	(47,61,72,200)	(27,63,80,788)
Movement in fixed deposit held as margin	-	-
Interest received	60,68,904	-
<b>Net cash from/ (used in) investing activities</b>	(47,08,94,057)	(30,71,30,788)
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from issue of equity shares	-	4,82,00,000
Interest paid	(1,49,435)	(1,07,894)
<b>Net cash from/ (used in) financing activities</b>	(1,49,435)	4,80,92,106
<b>Net increase/(decrease) in cash and cash equivalents</b>	77,028	6,49,476
<b>Cash and cash equivalents as at 1 April 2017</b>	13,12,488	6,63,012
<b>Cash and cash equivalents as at 31 March 2018</b>	<b>13,89,515</b>	<b>13,12,488</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

As per terms of our report attached

**For Bandyopadhyay & Dutt**

 Chartered Accountants  
 Firm Regn No 325116E

 Anindya Bikas Datta  
 Managing Director  
 DIN: 07274171

 Vinod Kumar Agarwal  
 Director  
 DIN: 08046056

**P K Bandyopadhyay**

 Partner  
 Membership No. 055658  
 Date- 30th May, 2018  
 Place - Kolkata

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Statement of Changes in Equity for the year ended 31st March 2018**
**A. Equity Share Capital**

Particulars	Amount (Rs.)
Balance as at 1 April 2016	11,69,12,500
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at 31 March 2017	11,69,12,500
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at 31 March 2018	11,69,12,500

**B. Other Equity**
**Rs.**

Statement of changes in Equity	Reserves and Surplus	Total Equity
	Retained Earnings	
Balance at April 1, 2016	26,82,688	26,82,688
Profit for the year	17,33,263	17,33,263
Other Comprehensive Income	-	-
Less: Tax on items taken to equity	-	-
Balance at March 31, 2017	44,15,951	44,15,951
Profit for the period	19,44,707	19,44,707
Other Comprehensive Income	-	-
Less: Tax on items taken to equity	-	-
<b>Balance at March 31, 2018</b>	<b>63,60,657</b>	<b>63,60,657</b>

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

As per terms of our report attached

**For Bandyopadhyay & Dutt**

Chartered Accountants  
Firm Regn No 325116E

Anindya Bikas Datta  
Managing Director  
DIN: 07274171

Vinod Kumar Agarwal  
Director  
DIN: 08046056

**P K Bandyopadhyay**

Partner  
Membership No. 055658

Date- 30th May, 2018  
Place - Kolkata



## **SPICY ENTERTAINMENT AND MEDIA LIMITED**

### **Notes forming part of the financial statements**

#### **1. General corporate information**

SPICY ENTERTAINMENT AND MEDIA LIMITED ('the Company' / 'SEML'), incorporated in the year 2012, is engaged in the production, post production, and media and creative service businesses. It provides service to production houses, studios, and broadcasters. The Company was promoted by Mr. Anindya Bikas Datta & Pink Lady Merchandise LLP. Company floated its capital base by coming out with Initial Public Offerings of Equity Shares in the year 2016. Company is listed on the premier stock exchanges viz. Bombay Stock Exchange Limited.

The functional currency and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operate.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on 30th May 2018

#### **02. First time adoption of Ind AS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017 with transition date of April 1, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretation that are issued and effective for the 'first Ind AS financial statements' for the year ended March 31, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained in note 3.18. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in retained earnings.

#### **3. Summary of significant accounting policies**

##### **03.01 Statement of compliance**

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015. Upto the financial year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP. which includes Standards notified under the Section 133 of the Companies Act, 2013. These are the Companies first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 3.18 for the details of first time adoption exemptions availed by the Company.

##### **3.02 Basis of preparation and presentation**

These Standalone financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In these Standalone financial statements, the fair value for measurement and/or disclosure purpose is determined on such basis except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

##### **3.03 Use of Estimates**

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

## SPICY ENTERTAINMENT AND MEDIA LIMITED

### Notes forming part of the financial statements

#### 3.04 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government.

##### i). Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### ii). Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

#### 3.05 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

#### 3.06 Employee Benefits

##### i). Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

#### 3.07 Taxation

##### i). Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### ii). Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

**SPICY ENTERTAINMENT AND MEDIA LIMITED**

**Notes forming part of the financial statements**

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from the deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary difference can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

**iii). Minimum alternate tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

**iv).** Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The current and deferred tax arising from the initial accounting for business combination, are included in the accounting for the business combination.

**3.8 Property, Plant and equipment**

Land, buildings, Plant and equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings	<b>30 to 60 years</b>
Plant and equipment	<b>3 to 15 years</b>
Furniture and Fixtures	<b>10 years</b>
Office Equipments	<b>3 to 5 years</b>
Computers	<b>3 years</b>
Motor Vehicles	<b>5 to 8 years</b>

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**3.9 Inventories**

Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

## **SPICY ENTERTAINMENT AND MEDIA LIMITED**

### **Notes forming part of the financial statements**

#### **3.10 Provisions, Contingent liabilities and Contingent assets**

##### **03.10.01 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

##### **03.10.01 Contingent liabilities and assets**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent assets are neither recognised nor disclosed.

#### **3.11 Financial instruments**

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

#### **3.12 Financial assets**

All purchases or sales of financial assets which require delivery of assets within the time frame established by regulation or convention in the market place are recognised and derecognised on a trade date basis. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### **03.12.01 Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Interest income is recognised in profit and loss for FVTOCI debt instruments. For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus exchange differences on the amortised cost are recognised in profit and loss and other changes in the fair value of FVTOCI financial assets in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit and loss.

All other financial assets are subsequently measured at fair value.

## SPICY ENTERTAINMENT AND MEDIA LIMITED

### Notes forming part of the financial statements

#### 03.12.02 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit and loss and is included in the "Other income" line item.

#### 03.12.03 Investments in equity instruments at FVTOCI

On initial recognition, the Company makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value of investments in equity instruments (other than investments held for trading) in other comprehensive income. These instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for Equity through other comprehensive income'. On disposal of these investments the cumulative gain or loss is not reclassified to profit and loss.

The Company has equity investments in two entities, and elected to FVTOCI irrevocable option for both of these investments.

Dividends on these investments in equity instruments are recognised in profit and loss when the Company's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends are included as part of 'Other income' in the profit and loss.

#### 03.12.04 Financial assets at fair value through profit and loss (FVTPL)

Financial assets which meet the criteria of financial assets held for trading are designated as 'Financial Assets at FVTPL'. The Company has derivatives that are not designated and effective as a hedge instrument which are designated as 'Financial Assets at FVTPL'. Financial assets at FVTPL are measured at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit and loss.

#### 03.12.05 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial instruments. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risks on that financial instrument have increased significantly since initial recognition. If the credit risk on financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

If the Company measures the loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks have not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures loss allowance at an amount equal to lifetime expected credit losses. For the purpose of measuring lifetime expected credit loss allowance for trade receivables the Company has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

#### 03.12.06 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amounts and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

## SPICY ENTERTAINMENT AND MEDIA LIMITED

### Notes forming part of the financial statements

#### 03.12.07 Foreign exchange gain and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit and loss except for those which are recognised as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised costs. Thus, the exchange differences on the amortised cost are recognised in profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

#### 3.13 Financial liabilities and equity instruments

##### 03.13.01 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

##### 03.13.02 Classification as debt or equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchases of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### 03.13.03 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

##### 03.13.04 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL, when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern to short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

##### 03.13.05 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 03.13.06 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 3.14 First-time adoption - mandatory exceptions and optional exemptions

### 03.14.01 Overall principle

The Company has prepared the opening Standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

### 03.14.02 Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

### 03.14.03 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

### 03.14.04 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### 03.14.05 Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the Standalone balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemptions in respect of business combinations have also been applied to past acquisitions of interests in joint ventures, as defined in Ind AS 103.

### 03.14.06 Deemed cost of property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 03.14.07 Equity investments at FVTOCI

The Company has designated investment in equity shares of AHV Investments Pvt Ltd as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

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Notes forming part of the financial statements

**04. Property, plant and equipment**

**Carrying amount of:**

	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 01.04.2016 Rs.
(a). Computer	17,603	49,894	1,41,427
(b). LED Lights	2,64,302	3,32,925	4,19,365
(c). Mobile Phone	1,13,678	-	-
(d). Water Purifier	12,685	-	-
(e). Air Conditioner	1,07,583	21,263	28,709
(f). Furniture & Fixture	5,69,068	-	-
(g). Refrigerator	3,562	4,808	6,487
<b>Total</b>	<b>10,88,481</b>	<b>4,08,890</b>	<b>5,95,988</b>



**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Notes forming part of the financial statements**

05. (A). Other Investments	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Rs.	Rs.	Rs.
<b>Total Investments carrying value</b>			
<b>Unquoted Investments (all fully paid)</b>			
Investments in Equity Instruments	1,66,15,062	1,61,00,000	-
<b>Aggregate book value of un'quoted investments</b>	1,66,15,062	1,61,00,000	-
<b>06. Other non-current financial assets</b> (Unsecured, Considered good)			
(a). Security deposits	4,94,850	4,90,350	8,350
	<u>4,94,850</u>	<u>4,90,350</u>	<u>8,350</u>
<b>07. Other non-current assets</b>			
(a). Capital advances	2,88,50,000	2,88,50,000	1,38,50,000
	<u>2,88,50,000</u>	<u>2,88,50,000</u>	<u>1,38,50,000</u>
<b>08. Deferred tax Assets</b>			
The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:			
Deferred tax assets	15,983	8,061	3,43,795
Deferred tax liabilities	1,32,628	1,04,545	-
<b>Net Deferred tax Asset/(Liability)</b>	<u>(1,16,645)</u>	<u>(96,484)</u>	<u>3,43,795</u>
<b>09. Inventories (At lower of cost and net realisable value)</b>			
(a). Finished products (At lower of cost and net realisable value)	-	55,00,000	44,610
<b>Total inventories</b>	<u>-</u>	<u>55,00,000</u>	<u>44,610</u>
<b>10. Trade receivables (Current)</b>			
(a) Unsecured, considered good	4,77,75,356	28,58,75,356	1,89,47,612
	<u>4,77,75,356</u>	<u>28,58,75,356</u>	<u>1,89,47,612</u>
<b>11. Cash and bank balances</b>			
(a). <b>Cash and cash equivalents</b>			
(i). Cash on hand	2,76,534	9,910	1,32,113
(ii). Balances with banks			
In current accounts	11,12,981	13,02,578	5,30,899
In deposit accounts			
<b>Total cash and cash equivalents</b>	<u>13,89,515</u>	<u>13,12,488</u>	<u>6,63,012</u>
(b). <b>Other bank balances</b>			
In current accounts (held for unpaid dividend)	-	-	-
In deposit account (held as margin)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total cash and bank balances</b>	<u>13,89,515</u>	<u>13,12,488</u>	<u>6,63,012</u>
<b>12. Other financial assets</b>			
(a). Incentive receivable from government	-	-	-
(b). Loans & Advances	84,24,67,588	36,62,95,388	8,99,14,600
	<u>84,24,67,588</u>	<u>36,62,95,388</u>	<u>8,99,14,600</u>
<b>13. Other current assets</b>			
(a). Advance with public bodies			
i). Service tax	7,49,403	-	-
ii). Others	5,55,358	16,95,498	14,57,423
	<u>13,04,761</u>	<u>16,95,498</u>	<u>14,57,423</u>
(b). Other loans and advances			
i). Other advances	5,73,00,000	-	-
	<u>5,73,00,000</u>	<u>-</u>	<u>-</u>
	<u>5,86,04,761</u>	<u>16,95,498</u>	<u>14,57,423</u>

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Notes forming part of the financial statements**
**14. Equity Share capital**

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Rs.	Rs.	Rs.
<b>Authorised:</b>			
17,000,000 Equity Shares of Rs. 10 each <i>(as at March 31, 2017 : 17,000,000; as at April 1, 2016: 17,000,000 Equity Shares of Rs. 10 each)</i>	17,00,00,000	17,00,00,000	17,00,00,000
	<u>17,00,00,000</u>	<u>17,00,00,000</u>	<u>17,00,00,000</u>
<b>Issued, Subscribed and fully paid up:</b>			
16,511,250 Equity Shares of Rs. 10 each <i>(as at March 31, 2017 : 16,511,250; as at April 1, 2016: 11,691,250 Equity Shares of Rs. 10 each)</i>	16,51,12,500	16,51,12,500	11,69,12,500
	<u>16,51,12,500</u>	<u>16,51,12,500</u>	<u>11,69,12,500</u>

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

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>Equity shares</b>				
<b>Issued, subscribed and fully paid up:</b>				
At beginning & end of the year	1,65,11,250	16,51,12,500	1,16,91,250	11,69,12,500
Issued during the year	-	-	48,20,000	4,82,00,000
At end of the year	<u>1,65,11,250</u>	<u>11,69,12,500</u>	<u>1,65,11,250</u>	<u>16,51,12,500</u>

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	%	No. of Shares	%
Pink Lady Merchandise LLP	42,45,000	25.71%	42,45,000	25.71%

**Rights, preferences and restrictions attached to shares**
**Equity Shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

**15 Other Equity**

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Rs.	Rs.	Rs.
a). Retained Earnings	63,60,657	44,15,951	26,82,688
	<u>63,60,657</u>	<u>44,15,951</u>	<u>26,82,688</u>
<b>Retained Earnings</b>			
Opening balance	44,15,951	26,82,688	26,82,688
Profit for the period	19,44,707	17,33,263	-
Closing balance	<u>63,60,657</u>	<u>44,15,951</u>	<u>26,82,688</u>
	<u>63,60,657</u>	<u>44,15,951</u>	<u>26,82,688</u>

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Notes forming part of the financial statements**

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Rs.	Rs.	Rs.
<b>16. Trade Payables</b>			
(a). Total outstanding dues to micro enterprises and small enterprises.	-	-	-
(b). Total outstanding dues of creditors other than micro enterprises and small enterprises	23,00,200	17,16,251	20,18,073
(c). Creditors for accrued wages and salaries	1,00,000	39,000	88,000
<b>Total trade payables</b>	<b>24,00,200</b>	<b>17,55,251</b>	<b>21,06,073</b>
<b>17. Other Current Financial Liabilities</b>			
(a). Creditors for purchase of fixed assets	62,000	-	-
<b>Total other current financial liabilities</b>	<b>62,000</b>	<b>-</b>	<b>-</b>
<b>18. Other Current Liabilities</b>			
(a). Advance received from customers	82,00,00,000	53,00,00,000	16,945
(d). Statutory dues	25,96,953	26,57,085	25,03,011
<b>Total other liabilities</b>	<b>82,25,96,953</b>	<b>53,26,57,085</b>	<b>25,19,956</b>

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes forming part of the financial statements**



	For the year ended 31.03.2018 Rs.	For the Year ended 31.03.2017 Rs.
<b>19. Revenue from operations</b>		
<b>Sale of Products</b>		
(a). Sale of finished goods	1,42,00,000	15,76,49,480
(b). Other operating income	-	16,26,067
<b>Total Sale of Products</b>	<u>1,42,00,000</u>	<u>15,92,75,547</u>
<b>Revenue from Operations (Net)</b>	<u>1,42,00,000</u>	<u>15,92,75,547</u>
<b>20. Other income</b>		
(a). Interest income		
i). From loans and advances	60,68,904	-
(b). Gain of fair valuation of investment in equity instruments	5,15,062	3,50,000.0
(c). Miscellaneous income	22,752	30,399.0
<b>Total other income</b>	<u>66,06,718</u>	<u>3,80,399.0</u>
<b>21. Purchases of stock in trade</b>		
(a). Purchases of stock in trade	50,00,000.00	15,53,90,000.00
<b>Total purchases of stock in trade</b>	<u>50,00,000.00</u>	<u>15,53,90,000.00</u>
<b>22. Changes in inventories of finished products</b>		
<b>Inventories at the beginning of the year</b>		
(a). Finished products	55,00,000	44,610
	<u>55,00,000</u>	<u>44,610</u>
<b>Inventories at the end of the year</b>		
(a). Finished products	-	55,00,000
	<u>-</u>	<u>55,00,000</u>
<b>Net (increase)/decrease</b>	<u>55,00,000</u>	<u>(54,55,390)</u>
<b>23. Employee benefits expense</b>		
(a). Salaries and wages, including bonus	21,52,200	13,92,242
<b>Total employee benefits expense</b>	<u>21,52,200</u>	<u>13,92,242</u>
<b>24. Finance costs</b>		
(a). Interest expense	1,49,435	1,07,894
<b>Total finance costs</b>	<u>1,49,435</u>	<u>1,07,894</u>
<b>25. Depreciation expense</b>		
Depreciation on tangible assets	1,73,170	1,87,098
<b>Total depreciation expense</b>	<u>1,73,170</u>	<u>1,87,098</u>
<b>26. Other expenses</b>		
<b>Selling and administrative expenses</b>		
(a). Rates, taxes and licenses	11,040	27,470
(b). Electricity expenses	90,411	8,737
(c). Selling and distribution expenses	37,381	2,71,332
(d). Legal and professional fee	21,33,916	17,71,985
(e). Travelling and conveyance expenses	-	4,25,095
(f). Telephone expenses	-	1,202
(g). Printing and stationery	39,958	1,69,734
(h). Audit fees	50,000	34,500
(i). Rent	1,80,000	6,83,125
(j). Listing Fees	19,65,110	1,43,750
(k). Subscription and donation	2,00,000	-
(l). Connectivity charges	3,26,845	1,97,612
(m). Other general expenses	1,95,726	12,39,491
	<u>52,30,388</u>	<u>49,74,034</u>
<b>Total other expenses</b>	<u>52,30,388</u>	<u>49,74,034</u>
<b>27. Income tax recognised in profit and loss</b>		
<b>Current tax</b>		
In respect of the current year	6,36,658	8,86,527
In respect of prior years	-	-
	<u>6,36,658</u>	<u>8,86,527</u>
<b>Deferred tax</b>		
In respect of the current year	20,161	4,40,279
In respect of prior years	-	-
	<u>20,161</u>	<u>4,40,279</u>
<b>Total tax expense</b>	<u>6,56,819</u>	<u>13,26,806</u>
<b>28. Earnings per share</b>		
<b>Basic and diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the		
Profit for the year/period	19,44,707	17,33,263
Weighted average number of equity shares for the purpose of basic earnings per	1,65,11,250	1,43,45,551
Basic and diluted earnings per share	0.12	0.12
The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.		

**SPICY ENTERTAINMENT AND MEDIA LIMITED**
**Notes forming part of the financial statements**
**29. Financial instruments**
**29.01 Capital management**

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 25 offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

**Gearing Ratio**

The gearing ratio at end of the reporting period was as follows

	<u>As at 31.03.2018</u>	<u>As at 31.03.2017</u>	<u>As at 01.04.2016</u>
	Rs.	Rs.	Rs.
Debt			
Long-term debt	-	-	-
Current borrowings	-	-	-
Current maturity of long-term debts	-	-	-
Cash and bank balances	13,89,515	13,12,488	6,63,012
Net debt	-	-	-
Total equity	17,14,73,157	16,95,28,451	11,95,95,188
Equity share capital	16,51,12,500	16,51,12,500	11,69,12,500
Other equity	63,60,657	44,15,951	26,82,688
<b>Net debt to equity ratio</b>	-	-	-

**29.02 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions. The Company is exposed to market risk( including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

The corporate treasury management reports on quarterly basis to the board of directors that monitors risks and policies implemented to mitigate risk exposures.

**29.03 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.



	As at April 1, 2016				
	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets:</b>					
Investments in equity instruments	-	-	-	-	-
Other financial assets (Non Current)	-	-	8,350	8,350	8,350
Trade receivables	-	-	1,89,47,612	1,89,47,612	1,89,47,612
Cash and cash equivalent	-	-	6,63,012	6,63,012	6,63,012
Other financial assets (Current)	-	-	8,99,14,600	8,99,14,600	8,99,14,600
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,95,33,574</b>	<b>10,95,33,574</b>	<b>10,95,33,574</b>
<b>Financial Liabilities</b>					
Trade payables	-	-	21,06,073	21,06,073	21,06,073
Other financial liabilities (Current)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>21,06,073</b>	<b>21,06,073</b>	<b>21,06,073</b>

#### Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

	As at March 31, 2018			Rs
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments in equity instruments	-	-	1,66,15,062.02	1,66,15,062.02
	-	-	1,66,15,062.02	1,66,15,062.02

	As at March 31, 2017			Rs
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments in equity instruments	-	-	1,61,00,000.00	1,61,00,000.00
	-	-	1,61,00,000.00	1,61,00,000.00

	As at April 1, 2016			Rs
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments in equity instruments	-	-	-	-
	-	-	-	-

### 30 Related party transactions

#### List of related parties and relationship

Name of the related party	Nature of Relationship	
<b>Key management personnel</b>		
Mr. Anindya Bikas Datta	Managing Director	
Mr. Vinod Kumar Agarwal	Additional Director	w.e.f 11.01.2018
Ms. Diprani Thakur	Company Secretary	upto 30.11.2017

#### 30.01 Nature of transactions

Name	Nature of Transaction	For the year ended 31.03.2018	For the year ended 31.03.2017
		Rs.	Rs.
Mr. Anandya Bikas Datta	Remuneration paid	96,500	1,80,000.0
Mr. Vinod Kumar Agarwal	Remuneration paid	50,000	-
Ms. Diprani Thakur	Remuneration paid	63,500	1,73,420.0

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes forming part of the financial statements**

31 Additional Information to the Financial Statements pursuant to Companies Act, 2013 requirements :

31.01 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
a). Principal amount remaining unpaid to the suppliers as at the end of the accounting year	-	-
b). Interest due thereon remaining unpaid to suppliers as at the end of the accounting year	-	-
c). interest paid in terms of Section 16 along with the amount of payments made to suppliers beyond the appointment day during the year	-	-
d). Interest due and payable for the period of delays in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under the act)	-	-
e). The amount of interest accrued during the year for the year remaining unpaid at the end of the accounting year.	-	-

The above information have been disclosed to the extent such suppliers could be identified by the management on the basis of information available with the Company and the same has been relied upon by the auditors.



**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
Notes forming part of the financial statements

**32 First-time Ind AS Adoption reconciliation**

**32.01 Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

	Notes	As at 31.03.2017	As at 01.04.2016
		Rs.	Rs.
<b>Total equity (shareholders' funds) under previous GAAP</b>		16,92,82,995	11,95,95,147
Impact on account of measuring investments at fair value through Profit and loss account		3,50,000	-
Tax effect		(1,04,545)	-
<b>Total adjustments to equity</b>		2,45,455	-
<b>Total equity (shareholders' funds) under Ind AS</b>		16,95,28,450	11,95,95,147

**32.02 Reconciliation of total comprehensive income for the year ended March 31, 2017**

			Rs
			Year ended
			31.03.2017
<b>Profit as per previous GAAP</b>			14,87,808
Impact on account of measuring investments at fair value Profit and loss account OCI			3,50,000
Tax adjustments			1,04,545
<b>Total effect of transition to Ind AS</b>			2,45,455
<b>Profit for the year as per Ind AS</b>			17,33,263
Other comprehensive income for the year (net of tax)			-
<b>Total comprehensive income under Ind AS</b>			17,33,263

Note: Under the previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

**33** Previous year's figures have been regrouped / reclassified where necessary to correspond with the current year's classification / disclosure

**34 Approval of financial statements**

The financial statements were approved for issue by the board of directors on May 30th, 2018.

For and on behalf of the Board of Directors

**Anindya Bikas Datta**  
Managing Director  
DIN No 07274171

Place : Kolkata  
Date : 30th May 2018

**Vinod Kumar Agarwal**  
Director  
DIN No 08046056