



SPICY ENTERTAINMENT AND MEDIA LIMITED

CIN: L22219WB2012PLC188312

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

September 04, 2019

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 2018-19**

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 2018-19 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/Authorized Signatory

**Vinod Kumar Agarwal**

Director

DIN: 08046056

**Encl: As stated above**





***\*ANNUAL REPORT 2018-19\****

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## **CORPORATE INFORMATION**

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### **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 & Chief Financial Officer (CFO)

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

### **AUDITORS**

**M/s RAK Champs & Co. LLP**  
Chartered Accountants, Mumbai  
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**

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

**Day, Date & Time: Friday, September 23, 2019 at 12:30 p.m.**  
**Venue: 68, R. K. Chatterjee Road (Kasba), Rash Behari Connector, 3<sup>rd</sup> Floor, Kolkata- 700042,**

### **BOOK CLOSURE**

**From Monday, September 16, 2019 to Monday, September 23, 2019 (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:*

### ***❖ SHOKUNER LOV***

*“Shokuner Lov” is a 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.*

### ***❖ 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) Bhola 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](https://www.youtube.com/watch?v=GF_LnkjXrl8&t=304s)*



## ***From the desk of Managing Director...***



***Dear Shareholders,***

***Financial Year 2018-19 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 2018-19. 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

	(Rs. in Lacs)	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from Operations	750.00	142.00
Other Income	7.96	66.07
Profit before Taxation	11.51	26.01
Profit after Taxation	9.19	19.45
Earnings Per Share (EPS) (Face Value Rs. 10/- each)	0.06	0.12

### Balance Sheet

	(Rs. in Lacs)	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Property, Plant and Equipment	7.94	10.88
Loans and Investments	178.08	171.10
Other Non-Current Assets	288.50	288.50
Current Assets	14027.56	9502.37
<b>TOTAL ASSETS</b>	<b>14502.09</b>	<b>9972.86</b>
Equity	1724.46	1714.73
Non-Current Liabilities	1.27	1.17
Current Liabilities	12777.62	8256.96
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14502.09</b>	<b>9972.86</b>

### Others

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Share Price on BSE (Per Share of Rs. 10/-) *	10.50	9.00
Market Capitalisation (Rs. in Lakhs)	1733.68	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 Seventh (7th) 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, 2019. The Financial performance of your Company during the Financial Year ended March 31, 2019, as compared to the previous financial year are summarised below:

**Rs. in Lakhs**

<b>Particulars</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>Total Income</b>	<b>757.96</b>	<b>208.07</b>
<b>Total Expenditure</b>	<b>746.44</b>	<b>182.05</b>
<b>Profit Before Taxation</b>	<b>11.51</b>	<b>26.02</b>
<b>Tax Expense</b>	<b>2.32</b>	<b>6.56</b>
<b>Profit for the Period</b>	<b>9.19</b>	<b>19.44</b>
<b>Brought forward from the previous year</b>	<b>63.60</b>	<b>44.16</b>
<b>Mat Credit</b>	<b>0.54</b>	<b>-</b>
<b>Surplus carried to Balance Sheet</b>	<b>73.34</b>	<b>63.60</b>

### **Financial Performance**

Your Company has prepared the Financial Statements for the financial year ended March 31, 2019 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.

The Company's total income during the year stood at Rs. 757.96 Lakhs, as compared to Rs. 208.07 Lakhs in the previous year. The Company's profit before tax is Rs. 11.51 Lakhs during the year, as compared to Rs. 26.02 Lakhs in the previous year. The Company earned a net profit of Rs. 9.19 Lakhs, as against a net profit of Rs. 19.44 Lakhs in the previous year.

### **Dividend**

Your Directors did not recommend any dividend to its shareholders for the financial year 2018-19, 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.

## **Annual Report 2018-19**

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

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*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**

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*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**

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*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**

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*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**

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*In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014 as amended, M/s RAK Champs & Co. LLP, Chartered Accountants (FRN: 131094W/W100083), Mumbai, was appointed as the Auditors of the Company for a*

## **Annual Report 2018-19**

consecutive period of 5 (Five) years from the conclusion of the 6th Annual General Meeting held in the year 2018 until conclusion of the 11th Annual General Meeting scheduled to be held in the year 2023.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s RAK Champs & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company, by the members at the ensuing Annual General Meeting.

Your Company has received a Certificate from M/s RAK Champs & Co. LLP, Chartered Accountants, confirming their eligibility to continue as Auditors of the Company in terms of provisions of Section 141 of the Companies Act, 2013 and the rules made thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of Listing Regulations.

### **Secretarial Auditor**

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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. Kavita Raju Joshi, Practicing Company Secretary (Certificate of Practice No. 8893), as the Secretarial Auditor.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as **[Annexure-A]** to this report.

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

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

### **Share Capital**

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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**

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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**

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### **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**

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*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. Vinod Kumar Agarwal (DIN: 08046056), 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**

*There have been no changes in the Directorship of the Company during the year under review.*

#### **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**

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*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, 2019. 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**

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##### **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*

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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, 2019. 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	-	-	-
Mr. Vinod Kumar Agarwal	Non-Executive Director	-	-	-
Ms. Sheetal Suresh Kale	Independent Director	-	-	-
Mr. Sumit Bhoot	Independent Director	-	-	-

### Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. 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.
3. 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 2018-2019, the Board met Seven (7) 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 27, 2018	4	4
2.	May 30, 2018	4	4
3.	September 05, 2018	4	4
4.	November 14, 2018	4	4
5.	November 17, 2018	4	4
6.	December 22, 2018	4	4
7.	February 22, 2019	4	4

## **Annual Report 2018-19**

Attendance at aforesaid Board Meetings, at last Annual General Meeting of each of the Directors as on March 31, 2019 is given below:

<b>Name of the Director</b>	<b>Category of Directorship</b>	<b>Attendance at the Board Meeting(s)</b>		<b>Attendance at last AGM</b>
		<b>Held</b>	<b>Attended</b>	
Mr. Anindya Bikas Datta	Managing Director	7	7	Yes
Mr. Vinod Kumar Agarwal	Non-Executive Director	7	7	Yes
Ms. Sheetal Suresh Kale	Independent Director	7	7	Yes
Mr. Sumit Bhoot	Independent Director	7	7	Yes

### **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.

### **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 February 22, 2019, 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).

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*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 2018-19. The maximum gap between two Meetings was not more than 120 days. The Committee met on May 30, 2018; September 05, 2018; November 14, 2018 & February 22, 2019. 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.*

<b>Name</b>	<b>Category</b>	<b>Designation</b>	<b>Meeting(s)</b>	
			<b>Held</b>	<b>Attended</b>
Ms. Sheetal Suresh Kale	Independent Director	Chairman	4	4
Mr. Anindya Bikas Datta	Managing Director	Member	4	4
Mr. Sumit Bhoot	Independent Director	Member	4	4

## **Annual Report 2018-19**

*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**

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*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;*

## **Annual Report 2018-19**

- 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.*

## Annual Report 2018-19

### Meeting and Attendance

The Committee met twice during the financial year 2018-19 on September 05, 2018 & February 10, 2019. 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	2	2
Mr. Vinod Kumar Agarwal	Director	Member	2	2
Mr. Sumit Bhoot	Independent Director	Member	2	2

#### 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.

### 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.

## Annual Report 2018-19

### Details of Remuneration to all Directors

The details of remuneration paid to the Directors for the year ended March 31, 2019 are as under:

<b>Name</b>	<b>Designation</b>	<b>Salary</b>	<b>Perquisites</b>	<b>Sitting Fees</b>	<b>Total</b>
Mr. Anindya Bikas Datta	Managing Director	540000	-	-	540000
Ms. Sheetal Suresh Kale	Independent Director	-	-	-	-
Mr. Vinod Kumar Agarwal	Director	325000	-	-	325000
Mr. Sumit Bhoot	Independent Director	-	-	-	-

#### 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.

### 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 Twice (2) times during the financial year 2018-19 on September 05, 2018 and February 22, 2019. 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 2018-19 is detailed below:

<b>Name</b>	<b>Category</b>	<b>Designation</b>	<b>Meeting(s)</b>	
			<b>Held</b>	<b>Attended</b>
Ms. Sheetal Suresh Kale	Independent Director	Chairman	2	2
Mr. Sumit Bhoot	Independent Director	Member	2	2
Mr. Vinod Kumar Agarwal	Director	Member	2	2

## **Annual Report 2018-19**

### **Notes:**

1. Mr. Sumit Bhoot (DIN: 08120225) was appointed as Director of the Company with effect from April 27, 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, 2019 under 'SCORES'.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on March 31, 2019 and that all requests for issue of new certificates, sub-division or consolidation of shareholdings, etc., received upto March 31, 2019 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**

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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**

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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

## **Annual Report 2018-19**

*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 2018-2019.*

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

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*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**

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*During the financial year ended March 31, 2019, 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:**

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*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*

## **Annual Report 2018-19**

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**

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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**

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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**

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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**

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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, 2019, 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, 2019 and of the profit & loss of the Company for the Financial Year March 31, 2019;
- 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;

## **Annual Report 2018-19**

- *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**

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*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, 2019***

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

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[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,  
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),

*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, 2019 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, 2019, 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;*

## **Annual Report 2018-19**

- 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*

## **Annual Report 2018-19**

*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.*

*I further report that no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place during the year under review.*

**Kavita Raju Joshi**  
**Practicing Company Secretary**  
**Membership No: 9074**  
**CP No: 8893**

**Place: Mumbai**  
**Date: May 30, 2019**

***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.*

**Kavita Raju Joshi  
Practicing Company Secretary  
Membership No: 8893  
CP No: 9074**

**Place: Mumbai  
Date: May 30, 2019**

[Annexure-B]

**FORM NO. MGT 9**  
**Extract of Annual Return**  
**As on financial year ended on 31/03/2019**

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>					
Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL



Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3224100	9500	3233600	19.5842	4060350	2500	4062850	24.6066	5.0224
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1879400	197000	2076400	12.5757	1860209	175000	2035209	12.3262	-0.2495
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6706250	215000	6921250	41.9184	4917500	215000	5132500	31.0849	-10.8335
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	30000	0	30000	0.1817	1030691	0	1030691	6.2424	6.0607
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>	11839750	421500	12261250	74.2600	11868750	392500	12261250	74.2601	0.0001
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	11839750	421500	12261250	74.2600	11868750	392500	12261250	74.2601	0.0001
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	16089750	421500	16511250	100.0000	16118750	392500	16511250	100.0000	0.0000

**ii) Shareholding of Promoters-**

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2018]			Shareholding at the end of the year [As on 31/Mar/2019]			% 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
	TOTAL	4250000	25.7400	0.0000	4250000	25.7400	0.0000	0.0000

<b>iii) Change in Promoters' Shareholding (please specify, if there is no change)</b>					
		<b>Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]</b>		<b>Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]</b>	
<b>Sl No</b>	<b>Name</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	PINK LADY MERCHANDISE PRIVATE LIMITED				
	01-04-2018	4245000	25.7097		
	31-03-2019	4245000	25.7097	4245000	25.7097
2	ANINDYA BIKAS DATTA				
	01-04-2018	5000	0.0303		
	31-03-2019	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/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VEDANTA RESOURCES PRIVATE LIMITED				
	01-04-2018	260000	1.5747		
	30/06/2018 - Transfer	20000	0.1211	280000	1.6958
	31-03-2019	280000	1.6958	280000	1.6958
2	OM SARVAVIDYA CONSULTANTS LLP				
	01-04-2018	789750	4.7831		
	31-03-2019	789750	4.7831	789750	4.7831
3	SAFAL CAPITAL (INDIA) LIMITED *				
	01-04-2018	0	0.0000		
	29/09/2018 - Transfer	20000	0.1211	20000	0.1211
	31/12/2018 - Transfer	-10000	0.0606	10000	0.0606
	31/03/2019 - Transfer	390000	2.3620	400000	2.4226
4	TISTA TRADELINKS PRIVATE LIMITED #				
	01-04-2018	330000	1.9986		
	30/06/2018 - Transfer	100000	0.6056	430000	2.6043
	29/09/2018 - Transfer	-250000	1.5141	180000	1.0902
	31-03-2019	180000	1.0902	180000	1.0902
5	VIEWPOINT ADVISORY PRIVATE LIMITED #				
	01-04-2018	240000	1.4536		
	30/06/2018 - Transfer	-180000	1.0902	60000	0.3634
	31-03-2019	60000	0.3634	60000	0.3634
6	JAIPRAKASH GOYAL #				
	01-04-2018	310000	1.8775		
	31/03/2019 - Transfer	-310000	1.8775	0	0.0000
7	RAJESH KUMAR GOYAL #				
	01-04-2018	310000	1.8775		
	31/03/2019 - Transfer	-310000	1.8775	0	0.0000
8	ACTIVE NIRMAN PRIVATE LIMITED *				
	01-04-2018	210000	1.2719		
	30/06/2018 - Transfer	115000	0.6965	325000	1.9684
	29/09/2018 - Transfer	-240000	1.4536	85000	0.5148
	31/12/2018 - Transfer	100000	0.6056	185000	1.1204
	31/03/2019 - Transfer	110000	0.6662	295000	1.7867
9	AMRISH DEVDA *				
	01-04-2018	200000	1.2113		
	31-03-2019	200000	1.2113	200000	1.2113
10	GAURINATH CONSULTANTS LLP *				
	01-04-2018	150000	0.9085		
	30/06/2018 - Transfer	10000	0.0606	160000	0.9690
	29/09/2018 - Transfer	70000	0.4240	230000	1.3930
	31/12/2018 - Transfer	115000	0.6965	345000	2.0895
	31/03/2019 - Transfer	240000	1.4536	585000	3.5430

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/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	VIGNESHWAR ADVISORY SERVICES LLP *				
	01-04-2018	0	0.0000		
	31/12/2018 - Transfer	60000	0.3634	60000	0.3634
	31/03/2019 - Transfer	140000	0.8479	200000	1.2113
12	SHIV KUMAR GOEL #				
	01-04-2018	240000	1.4536		
	31/12/2018 - Transfer	-240000	1.4536	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
13	ANJANA GOYAL #				
	01-04-2018	240000	1.4536		
	31/03/2019 - Transfer	-240000	1.4536	0	0.0000
14	RATNANIDHI ADVISORY SERVICES LLP				
	01-04-2018	250000	1.5141		
	30/06/2018 - Transfer	6250	0.0379	256250	1.5520
	31-03-2019	256250	1.5520	256250	1.5520
15	KAMLESH BHAGWANDAS BATHIJA #				
	01-04-2018	250000	1.5141		
	31/12/2018 - Transfer	-110000	0.6662	140000	0.8479
	31/03/2019 - Transfer	-140000	0.8479	0	0.0000
16	SHOBHA JAIN *				
	01-04-2018	200000	1.2113		
	31-03-2019	200000	1.2113	200000	1.2113
17	SUNNY JAIN *				
	01-04-2018	200000	1.2113		
	31-03-2019	200000	1.2113	200000	1.2113
*	Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.				
#	Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.				

<b>v) Shareholding of Directors and Key Managerial Personnel</b>					
		<b>Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]</b>		<b>Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]</b>	
<b>Sl No</b>	<b>Name</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	ANINDYA BIKAS DATTA				
	01-04-2018	5000	0.0428		
	31-03-2019	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>Indebtness 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
1	<b>Gross salary</b>	<b>Anindya Bikas Datta</b>	<b>Vinod Kumar Agarwal</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	5,40,000.00	3,25,000.00	8,65,000.00
	(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>5,40,000.00</b>	<b>3,25,000.00</b>	<b>8,65,000.00</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	
1	<b>Independent Directors</b>	-	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
2	<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 (B)=(1+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
1	<b>Gross Salary</b>	Yashika Poddar, CS		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	15,000.00		<b>15,000.00</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>15,000.00</b>	-	<b>15,000.00</b>

**viii) Penalties/Punishment/Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty	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

**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;

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- 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 percent 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:*

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- 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*

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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.*

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### **➤ 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.*

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### **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.*

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**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.*

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### [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)	1.71
2.	Ms. Sheetal Suresh Kale (Independent Director)	-
3.	Mr. Vinod Kumar Agarwal (Non-Executive Director)	3.09
4.	Sumit Bhoot (Independent Director)	-

#### 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.

(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.	Ms. Sheetal Suresh Kale (Independent Director)	Nil
3.	Mr. Vinod Kumar Agarwal (Non-Executive Director)	Nil
4.	Mr. Sumit Bhoot (Independent Director)	Nil

#### 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.

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

During the FY 2018-19, there has been an increase by 57.30 % in the median remuneration of employees as compared to previous year.

## ***Annual Report 2018-19***

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

*There were 10 permanent employees as on March 31, 2019.*

***(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 an increase by 30.33% in the average salary of employees and there has been no increase in the average remuneration of Key Managerial Personnel during the financial year 2018-19.*

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

*Remuneration paid during the year ended March 31, 2019 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 Chief Financial Officer (CFO) 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, 2019 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, 2019**

**Vinod Kumar Agarwal**  
**Chief Financial Officer**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Spicy Entertainment and Media Limited (CIN: L22219WB2012PLC188312)** having its registered office at 68, R.K. Chatterjee Road (Kasba) Rash Behari Connector, 3rd Floor Kolkata- 700042, West Bengal, India (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C, Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending March 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sl. No.</b>	<b>Name of the Directors</b>	<b>DIN</b>	<b>Date of appointment in the Company</b>
1.	Anindya Bikas Datta	07274171	04/09/2015
2.	Sheetal Suresh Kale	07762409	15/03/2017
3.	Vinod Kumar Agarwal	08046056	11/01/2018
4.	Sumit Bhoot	08120225	27/04/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date: May 30, 2019**  
**Place: Mumbai**

**Kavita Raju Joshi**  
**Practicing Company Secretary**  
**Membership No: 9074**  
**COP: 8893**

**[Annexure-E]**

**Management Discussion & Analysis Report**

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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**

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India continued to be the fastest growing major economy despite the challenges faced during the year. In FY19, the GDP of the country grew by 6.6% on GVA basis, a marginal deceleration from the previous year. While the growth in the first half of the fiscal was strong, it moderated during the second half due to liquidity concerns and stress in the agriculture sector. This impacted consumption and discretionary spending, especially in the rural markets, during the latter half of the year. However, after a strong mandate, the expectation is that the new government will address these concerns on priority and inject stimulus to revive economic activity. Three consecutive interest rate cuts by the Reserve Bank of India and their accommodative stance will help revive consumption and growth in the near term. Forecast of a normal monsoon in 2019 also bodes well for the agriculture sector and is expected to drive rural consumption. From a medium-term perspective, the government's focus on infrastructure development, job creation and banking reforms will support growth. One of the biggest structural reforms, Goods and Services Tax (GST), despite transient issues, is already helping formalize the economy and will go a long way in improving the business environment in the country. While the Indian economy has expanded at an average annualized growth rate of around 7% over the past several years, there have been patches of slower growth in-between.

**Indian Media and Entertainment Industry**

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The Indian media and entertainment (M&E) industry witnessed another year of all-round growth. The pace of growth accelerated marginally in CY18 despite the challenges faced by the economy towards the end of the year. According to the FICCI-EY Report 2019, (the Report), the M&E industry grew by 13.4% YoY in CY18, to ₹1,674 billion. India is witnessing a significant increase in content consumption due to increase in availability and improvement in affordability. Be it the growing number of mobile and television sets, improving multiplex penetration or smaller cities getting their own radio stations, availability of content is improving across platforms and is expected to get better going ahead. However, India's per capita entertainment consumption is still lower than most of its peers, representing a significant room for sustained growth which would be driven by rising disposable incomes and increasing access to content. According to the Report, the Indian M&E industry is expected to grow at a CAGR of 12.0% to ₹2,349 billion over the next three years, with growth in all the segments. During the year, television increased its reach and engagement with the audience, retaining its position as the default entertainment medium for Indian consumers. Growth in online video consumption accelerated, helped by

## **Annual Report 2018-19**

*the increased availability of affordable data and content on digital platforms. Print media continued to grow, albeit at a much slower pace. The movie industry surpassed all the previous box-office records on the back of strong performances in both domestic and international markets. Radio, in addition to entering new cities, is diversifying into new business offerings like concerts and activations. Growth in live events was led by premium properties, sports events and digital integration.*

### **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**

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*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.*

### **Online Video viewership grew**

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*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**

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*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.*

### **Human Resources**

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*Talent management and nurturing of our employees is critical to our strategy to ensure the smooth functioning of our organisation. Since we consider our people as our biggest resource, there is an enthusiastic spirit and efficiency in the company.*

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*Thanks to our comprehensive and dependable talent management framework, scouting and encouraging employees for long-term success is one of the most well-executed responsibilities at SEML.*

*We motivate the development of employees so they can take up more important roles in the company. The focus is to build a pool of talent, which will be ready to take on any challenge in the coming future. Hence, they will ensure the bright future of the organization and maintain productivity and sustainable growth, which is synonymous with SEML.*

*The company sees to it that both moral and financial support is given to the employees, so as to assure them of a bright future in the industry.*

### ***Company performance overview***

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*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.*

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### **INDEPENDENT AUDITOR'S REPORT**

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

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Spicy Entertainment and Media Limited ("the Company"), which comprises the balance Sheet as at 31st March 2019 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (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 31 March 2019 and profit and other comprehensive income, changes in equity and its cash flow for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit or loss and other comprehensive income, changes in equity and cash flows 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. 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 controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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 Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 of 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

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- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. 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; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(B) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its director during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For RAK Champs & Co. LLP**

**Chartered Accountants**

**FRN: 131094W/W100083**

**CA Ramanath Shetty**

**Partner**

**Membership No 218600**

**Place: Kolkata**

**Date: 30th May 2019**

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**Annexure A referred in the Independent Auditor's Report to the Members of Spicy Entertainment and Media Limited on the Ind AS financial statements for the year ended 31 March 2019**

- i. (a) According to the information and explanations given to us, the company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) According to the information and explanations given to us, the Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable property.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on the aforesaid verification.
- iii. According to 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 Act. Accordingly, the provisions of clause 3 (iii) of the order is not applicable.
- iv. According to the information and explanation given to us, the Company has not provided any guarantee or security as specified under Section 185 & 186 of the Companies Act, 2013. Further in respect of the loans given and investments made by the Company, requirement of Section 185 and 186 of the Companies Act, 2013 have been complied with.

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- v. According to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act. Accordingly, the provisions of clause 3(v) of the Order is not applicable.
- vi. According to the information and explanation given to us, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the operation carried by the Company.
- vii. (a) According to the information and explanation 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 income-tax, GST, goods and service tax, service tax and other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2019 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 dues which have not been deposited by the company on account of disputes.
- viii. According to the information and explanations given to us, the Company has neither taken any loans from financial institutions or banks or government nor issued any debentures, therefore, the provision of clause (viii) of the Order is not applicable.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer

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(including debt instrument) and any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii. 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, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the requisite details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For RAK Champs & Co. LLP**

**Chartered Accountants**

**FRN: 131094W/W100083**

**CA Ramanath Shetty**

**Partner**

**Membership No 218600**

**Place: Kolkata**

**Date: 30th May, 2019**

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### **Annexure B to the Independent Auditor's report on the financial statements of Spicy Entertainment and Media Limited for the year ended 31st March 2019**

#### **Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of **Spicy Entertainment and Media Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with

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the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use,

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or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For RAK Champs & Co. LLP**

**Chartered Accountants**

**FRN: 131094W/W100083**

**CA Ramanath Shetty**

**Partner**

**Membership No 218600**

**Place: Kolkata**

**Date: 30th May, 2019**

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Balance Sheet as at March 31, 2019**

**(Amount in Rs)**

	<b>Notes</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	2	7,94,226	10,88,481
(b) Financial Assets			
i) Investments in equity	3	1,73,12,298	1,66,15,062
ii) Other Financial assets	4	4,96,162	4,94,850
(c) Other non-current assets		2,88,50,000	2,88,50,000
(d) Deferred Tax Assets	5		
		<b>4,74,52,686</b>	<b>4,70,48,393</b>
<b>Current Assets</b>			
(a) Inventories	6	50,24,95,297	-
(b) Financial Assets			
i) Trade Receivables	7	4,77,75,356	4,77,75,356
ii) Cash and Cash equivalents	8	13,89,504	13,89,515
iii) Other Financial Assets	9	78,31,61,088	84,24,67,588
(c) Other Current Assets	10	6,79,34,964	5,86,04,761
		<b>1,40,27,56,210</b>	<b>95,02,37,220</b>
<b>TOTAL ASSETS</b>		<b>1,45,02,08,896</b>	<b>99,72,85,613</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11	16,51,12,500	16,51,12,500
(b) Other Equity	12	73,33,915	63,60,657
<b>Total Equity</b>		<b>17,24,46,415</b>	<b>17,14,73,157</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Deferred tax liability (Net)	13	1,27,613	1,16,645
<b>Current Liabilities</b>			
(a) Financial Liabilities			
i) Trade Payables	14	29,91,79,000	6,00,000
ii) Other Financial Liabilities	15	-	62,000
(b) Other Current Liabilities	16	97,75,97,680	82,43,97,153
(c) Current Income tax liabilities (net)		8,58,188	6,36,658
<b>Total Liabilities</b>		<b>1,27,77,62,481</b>	<b>82,58,12,456</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,45,02,08,896</b>	<b>99,72,85,613</b>

**Summary of Significant Accounting Policies**

1

**The accompanying notes are an integral part of Financial Statements**

As per our report of even date

**For RAK Champs & Co. LLP**  
**Chartered Accountants**  
**FRN No: 131094W/W100083**

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

**CA Ramanath Shetty**  
**Partner**  
**Membership No: 218600**  
**Place : Kolkata**  
**Date : May 30th, 2019**

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

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

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Statement of Profit and Loss Account for the year ended March 31, 2019**

(Amount in Rs.)

	Notes	2018-19	2017-18
<b>Income</b>			
Revenue from Operations	17	7,50,00,000	1,42,00,000
Other Income	18	7,95,635	66,06,718
<b>Total Income</b>		<b><u>7,57,95,635</u></b>	<b><u>2,08,06,718</u></b>
<b>Expenses</b>			
Cost of Project		72,23,297	-
Purchases of Stock-In Trade		56,52,72,000	50,00,000
Changes In Inventory of Stock-In Trade	19	(50,24,95,297)	55,00,000
Employees Benefits Expense	20	19,61,200	21,52,200
Finance Cost	21	-	1,49,435
Depreciation and Amortisation Expenses	22	3,18,322	1,73,170
Other Expenses	23	23,64,692	52,30,388
<b>Total Expenses</b>		<b><u>7,46,44,214</u></b>	<b><u>1,82,05,193</u></b>
<b>Profit / (Loss) Before Tax</b>		<b>11,51,421</b>	<b>26,01,526</b>
<b>Tax expenses</b>			
Current Tax		2,21,530	6,36,658
Deferred Tax		10,968	20,161
<b>Profit / (Loss) for the period</b>		<b><u>9,18,923</u></b>	<b><u>19,44,707</u></b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income / (Loss) for the period</b>		<b><u>9,18,923</u></b>	<b><u>19,44,707</u></b>
Earnings per equity share:			
Basic and Diluted	24	0.06	0.12
[Face Value Re. 1 each]			

**Summary of Significant Accounting Policies** 1

**The accompanying notes are an integral part of Financial Statements**

As per our report of even date

**For RAK Champs & Co. LLP**  
**Chartered Accountants**  
**FRN No: 131094W/W100083**

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

**CA Ramanath Shetty**  
**Partner**  
**Membership No: 218600**  
**Place : Kolkata**  
**Date : May 30th, 2019**

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

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

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Statement of Changes in Equity for the year ended 31 March 2019**

<b>A. EQUITY SHARE CAPITAL</b>	<b>Notes</b>	<b>(Amount in Rs.)</b>
<b>As at 1st April, 2017</b>		16,51,12,500
Changes in equity share capital	11	-
<b>As at 31st March, 2018</b>		16,51,12,500
Changes in equity share capital	11	-
<b>As at 31st March, 2019</b>		16,51,12,500

<b>B. Other Equity</b>	<b>(Amount in Rs.)</b>		
	<b>Reserves and Surplus</b>		
	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 1st April, 2017</b>		44,15,951	44,15,951
Profit for the year		19,44,707	19,44,707
Other Comprehensive Income for the year			
<b>Total Comprehensive Income for the year</b>		19,44,707	19,44,707
<b>Balance as at 31st March, 2018</b>		63,60,657	63,60,657
<b>Balance as at 1st April, 2018</b>		63,60,657	63,60,657
Profit for the year	-	9,18,923	9,18,923
Other Comprehensive Income for the year	-	-	-
<b>Total Comprehensive Income for the year</b>	-	9,18,923	9,18,923
Add: MAT Credit		54,334	54,334
<b>Balance as at 31st March, 2019</b>	-	73,33,915	73,33,915

The accompanying notes are an integral part of Financial Statements

As per our report of even date

**For RAK Champs & Co. LLP**  
**Chartered Accountants**  
**FRN No: 131094W/W100083**

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

**CA Ramanath Shetty**  
**Partner**  
**Membership No: 218600**  
**Place : Kolkata**  
**Date : May 30th, 2019**

**Anindya Bikas Datta**      **Vinod Kumar Agarwal**  
**Managing Director**      **Director**  
**DIN: 07274171**              **DIN: 08046056**

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Cash Flow Statement for the year ended March 31, 2019**

(Amount in Rs.)

	2018-19	2017-18
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit for the period</b>	9,18,923	19,44,707
Adjustments for:		
Income tax expenses recognised in the statement of profit	2,32,498	6,56,819
Depreciation expense	3,18,322	1,73,170
Interest income	-	(60,68,904)
Interest expenses	-	1,49,435
(Profit)/loss on revaluation of investment in equity instrurr	(6,97,236)	(5,15,062)
Deferred tax	-	-
<b>Operating profit before working capital changes</b>	<u>7,72,507</u>	<u>(36,59,835)</u>
Adjustments for (increase)/decrease in operating assets		
Inventories	(50,24,95,297)	55,00,000
Trade receivables	-	23,81,00,000
Non-current financial Assets	(1,312)	(4,500)
Other Financial Assets	5,93,06,500	-
Current financial assets	-	-
Other current assets	(92,75,870)	(5,69,09,262)
Adjustments for increase/(decrease) in operating liabilities		
Non-current liabilities	(62,000)	-
Trade Payables	29,85,79,000	6,44,949
Other current liabilities	15,32,00,527	28,99,39,868
Other non-current liabilities	-	-
<b>Cash generated from operations</b>	<u>24,055</u>	<u>47,36,11,220</u>
Direct taxes paid	-	(24,90,700)
<b>Net cash generated from operating activities</b>	<u>24,055</u>	<u>47,11,20,520</u>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of property, plant & equipment	(24,067)	(7,90,761)
Sale of property, plant & equipment	-	-
Sale/(Purchase) of investment in equity instrument	-	-
Purchase of investments in associates	-	-
Movement in loans and advances	-	(47,61,72,200)
Movement in fixed deposit held as margin	-	-
Interest received	-	60,68,904
<b>C. Net cash from/ (used in) investing activities</b>	<u>(24,067)</u>	<u>(47,08,94,057)</u>
<b>Cash Flow from Financing activities:</b>		
Proceeds from issue of equity shares	-	-
Interest paid	-	(1,49,435)
<b>Net cash from/ (used in) financing activities</b>	<u>-</u>	<u>(1,49,435)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(11)</u>	<u>77,028</u>
<b>Cash and cash equivalents as at 1 April 2018</b>	<u>13,89,515</u>	<u>13,12,488</u>
<b>Cash and cash equivalents as at 31 March 2019</b>	<u>13,89,504</u>	<u>13,89,515</u>

See accompanying notes forming part of the financial statements

**The accompanying notes are an integral part of Financial Statements**

As per our report of even date

**For RAK Champs & Co. LLP**  
**Chartered Accountants**  
**FRN No: 131094W/W100083**

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

**CA Ramanath Shetty**  
**Partner**  
**Membership No: 218600**  
**Place : Kolkata**  
**Date : May 30th, 2019**

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

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

## **1 Significant Accounting Policies followed by the Company**

### **1.1 Basis of Preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for the following:

- a) Certain financial assets and liabilities that are measured at fair value;
- b) Assets held for sale-measured at lower of carrying amount or fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value;

### **1.2 Summary of Significant Accounting Policies**

#### **a) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

#### **b) Use of estimates and judgements**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### **c) Property, Plant & Equipment**

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**d) Depreciation on Property, Plant & Equipment**

Depreciation on Property, Plant & Equipment is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

**e) Inventories**

Inventories are valued at the lower of cost or net realizable value.

**f) Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**g) Borrowing Cost**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**h) Employee Benefits**

Short term benefits and post employment benefits are accounted in the period during which the services have been rendered.

**i) Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is provided in full, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**j) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable

amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss.

#### **k) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

#### **l) Contingent Liability**

A contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

#### **m) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **n) Investments and other financial assets**

##### **(i) Classification**

The Company classifies its financial assets in the following measurement categories:

(1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

(2) Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt Instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

**Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**o) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per shares**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes to Financial Statements as at and for the year ended March 31, 2019**

**Note 2. Property, Plant and Equipment**

(Amount in Rs.)

	Computer	Led Lights	Mobile phone	Water Purifier	Air Conditioner	Furniture & Fixture	Refrigerator	Total
<b>Gross Carrying amount</b>								
<b>Balance as at 1st April, 2017</b>	1,41,427	4,19,365	-	-	28,709	-	6,487	5,95,988
Additions	-	-	1,36,608	12,712	92,031	6,11,410	-	8,52,761
Disposals								
Reclassification as held for sale								
<b>Balance as at 31st March, 2018</b>	1,41,427	4,19,365	1,36,608	12,712	1,20,740	6,11,410	6,487	14,48,749
Additions	-	-				24,067	-	24,067
Disposals	-	-				-	-	-
Reclassification as held for sale	-	-				-	-	-
<b>Balance as at 31st March, 2019</b>	<b>1,41,427</b>	<b>4,19,365</b>	<b>1,36,608</b>	<b>12,712</b>	<b>1,20,740</b>	<b>6,35,477</b>	<b>6,487</b>	<b>14,72,816</b>
<b>Accumulated Depreciation</b>								
<b>Balance as at 1st April, 2017</b>	91,533	86,440	-	-	7,446	-	1,679	1,87,098
Additions	32,291	68,623	22,930	27	5,711	42,342	1,246	1,73,170
Disposals								
Reclassification as held for sale								
<b>Balance as at 31st March, 2018</b>	<b>1,23,824</b>	<b>1,55,063</b>	<b>22,930</b>	<b>27</b>	<b>13,157</b>	<b>42,342</b>	<b>2,925</b>	<b>3,60,268</b>
Additions	5,438	54,478	73,032	3,284	27,858	1,53,308	924	3,18,322
Disposals	-	-			-	-	-	-
Reclassification as held for sale	-	-			-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>1,29,262</b>	<b>2,09,541</b>	<b>95,962</b>	<b>3,311</b>	<b>41,015</b>	<b>1,95,650</b>	<b>3,849</b>	<b>6,78,590</b>
<b>Net carrying amount</b>								
<b>Balance as at 31st March, 2018</b>	<b>17,603</b>	<b>2,64,302</b>	<b>1,13,678</b>	<b>12,685</b>	<b>1,07,583</b>	<b>5,69,068</b>	<b>3,562</b>	<b>10,88,481</b>
<b>Balance as at 31st March, 2019</b>	<b>12,165</b>	<b>2,09,824</b>	<b>40,646</b>	<b>9,401</b>	<b>79,725</b>	<b>4,39,827</b>	<b>2,638</b>	<b>7,94,226</b>

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes to Financial Statements as at and for the year ended March 31, 2019**

(Amount in Rs.)

	As at 31.03.2019	As at 31.03.2018
<b>Note 3. Investments</b>		
<b>Total Investments carrying value</b>		
Unquoted Investments (all fully paid)	1,73,12,298	1,66,15,062
	<b>1,73,12,298</b>	<b>1,66,15,062</b>
<b>Note 4. Other non-current financial assets</b>		
(Unsecured, Considered good)		
a) Security deposits	4,96,162	4,94,850
	<b>4,96,162</b>	<b>4,94,850</b>
<b>Note 5. Other non current assets</b>		
Capital Advances	2,88,50,000	2,88,50,000
	<b>2,88,50,000</b>	<b>2,88,50,000</b>
<b>Note 6. Inventories (At lower of cost and net realisable value)</b>		
Finished products (At lower of cost and net realisable value)	50,24,95,297	-
	<b>50,24,95,297</b>	<b>-</b>
<b>Note 7. Trade receivables (Current)</b>		
Unsecured, considered good	4,77,75,356	4,77,75,356
	<b>4,77,75,356</b>	<b>4,77,75,356</b>
<b>Note 8. Cash and Cash Equivalents</b>		
Balances with Bank - In current account	1,27,713	11,12,981
Cash on Hand	12,61,791	2,76,534
	<b>13,89,504</b>	<b>13,89,515</b>
<b>Note 9. Other Financial Assets</b>		
Loans & Advances	78,31,61,088	84,24,67,588
	<b>78,31,61,088</b>	<b>84,24,67,588</b>
<b>Note 10. Other Current Assets</b>		
<b>(a). Advance with public bodies</b>		
i) Goods and Service Tax	5,99,58,675	7,49,403
ii)' Others	6,21,955	5,55,358
<b>b) Other loans and advances</b>		
i) Other advances	73,00,000	5,73,00,000
<b>c) Mat Credit Entitlement - FY 2018-19</b>		
	54,334	-
	<b>6,79,34,964</b>	<b>5,86,04,761</b>
<b>Note 13. Deferred tax Liabilities</b>		
The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:		
Deferred tax assets	53,668	15,983
Deferred tax liabilities	1,81,281	1,32,628
	<b>(1,27,613)</b>	<b>(1,16,645)</b>
<b>Note 14. Trade Payables</b>		
Total outstanding dues to micro enterprises	-	-
Total outstanding dues of creditors other than micro enterprises	29,90,04,000	5,00,000
Creditors for accrued wages and salaries	1,75,000	1,00,000
	<b>29,91,79,000</b>	<b>6,00,000</b>
<b>Note 15. Other Financial Liabilities</b>		
Creditors for purchase of fixed assets	-	62,000
	<b>-</b>	<b>62,000</b>
<b>Note 16. Other Current Liabilities</b>		
Advance received from customers	97,43,00,000	82,00,00,000
Liabilities for Expenses	8,11,157	18,00,200
Statutory Dues	24,86,523	25,96,953
	<b>97,75,97,680</b>	<b>82,43,97,153</b>

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes to Financial Statements as at and for the year ended March 31, 2019**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Note 11. Equity Share Capital</b>		
<b>Authorised</b>		
17,000,000 Equity Shares of Rs. 10 each <i>(as at March 31, 2019 : 17,000,000; as at April 1, 2018: 17,000,000 Equity Shares of Rs. 10 each)</i>	17,00,00,000	17,00,00,000
<b>Issued ,Subscribed and Fully Paid up</b>		
16,511,250 Equity Shares of Rs. 10 each <i>(as at March 31, 2019 : 16,511,250; as at April 1, 2018: 16511250 Equity Shares of Rs. 10 each)</i>	16,51,12,500	16,51,12,500
<b>TOTAL</b>	<b>16,51,12,500</b>	<b>16,51,12,500</b>

**A. Reconciliation of the number of shares**

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	1,65,11,250	16,51,12,500	1,65,11,250	16,51,12,500
Balance as at the end of the year	1,65,11,250	16,51,12,500	1,65,11,250	16,51,12,500

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

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	% of Holding	Nos.	% of Holding
Pink Lady Merchandise LLP	42,45,000	25.71	42,45,000	25.71

**C. Terms / Rights attached to the Equity Shares**

The company has one class of equity shares having a par value of Rs.10 per share

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes to Financial Statements as at and for the year ended March 31, 2019**

**Note 12. Other Equity**

**(Amount in Rs.)**

	<b>Reserves and Surplus</b>		
	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 1st April, 2017</b>		44,15,951	44,15,951
Profit for the year		19,44,707	19,44,707
Other Comprehensive Income for the year			
<b>Total Comprehensive Income for the year</b>		<b>19,44,707</b>	19,44,707
<b>Balance as at 31st March, 2018</b>		63,60,657	63,60,657
Profit for the year	-	9,18,923	9,18,923
Other Comprehensive Income for the year	-	-	-
<b>Total Comprehensive Income for the year</b>	-	9,18,923	9,18,923
Add: MAT Credit		54,334	54,334
<b>Balance as at 31st March, 2019</b>	-	73,33,915	73,33,915

**SPICY ENTERTAINMENT AND MEDIA LIMITED**  
**Notes to Financial Statements as at and for the year ended March 31, 2019**

(Amount in Rs.)

	As at 31.03.2019	As at 31.03.2018
<b>Note 17. Revenue from Operations</b>		
Income from Operations	7,50,00,000	1,42,00,000
	<b>7,50,00,000</b>	<b>1,42,00,000</b>
<b>Note 18. Other Income</b>		
a) Interest Income		
i) From loans and advances	-	60,68,904
b) Gain of fair valuation of investment in equity instruments	6,97,236	5,15,062
c) Miscellaneous income	98,399	22,752
	<b>7,95,635</b>	<b>66,06,718</b>
<b>Note 19. Changes in Inventory of Stock In Trade</b>		
Inventories at the end of the period (A)	50,24,95,297	-
Inventories at the beginning of the period (B)	-	55,00,000
	<b>(50,24,95,297)</b>	<b>55,00,000</b>
<b>Note 20. Employees Benefits Expense</b>		
Salaries and Bonus	19,61,200	21,52,200
	<b>19,61,200</b>	<b>21,52,200</b>
<b>Note 21. Finance Cost</b>		
Interest Paid	-	1,49,435
	-	<b>1,49,435</b>
<b>Note 22. Depreciation and Amortisation Expense</b>		
Depreciation on Property, Plant & Equipment	3,18,322	1,73,170
	<b>3,18,322</b>	<b>1,73,170</b>
<b>Note 23. Other Expenses</b>		
<b>Selling and administrative expenses</b>		
Bank charges	21,595	-
Connectivity charges	55,000	3,26,845
Electricity expenses	83,820	90,411
Interest on TDS	14,535	-
Interest on Tax	8,403	
Legal and professional fee	15,85,800	21,33,916
Listing Fees	2,25,250	19,65,110
General expenses	1,14,012	2,33,107
Printing and stationery	536	39,958
Rates, Taxes and licenses	-	11,040
Rent	1,96,000	1,80,000
Subscription and donation	-	2,00,000
Travelling and conveyance expenses	9,740	-
Payment to the Auditor as		
Audit fees	50,000	50,000
	<b>23,64,692</b>	<b>52,30,388</b>
<b>Note 24. Earnings Per Equity Share</b>		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
Profit after tax (Rs.)	9,18,923	19,44,707
Weighted Average Number of Equity Shares (Nos)	1,65,11,250	1,65,11,250
Face Value of each Equity Share (Rs.)	10	10
Basic and Diluted Profit Per Equity Share (Rs.)	0.06	0.12

**SPICY ENTERTAINMENT AND MEDIA LIMITED****Notes to Financial Statements as at and for the year ended 31st March 2019****25. Related Party Transactions**

Name of related parties in Transactions with company and description of relationship

## i) Key Managerial Personnel:

Mr. Anindya Bikas Datta - Managing Director

Mr. Vinod Kumar Agarwal - Director

**26. Transaction with Related Parties during the Year****i) Key Managerial Personnel – Remuneration paid**

Name of Related Party	(Amount in Rs.)	
	2018-19	2017-18
Mr. Anindya Bikas Datta	540000	96500
Mr. Vinod Kumar Agarwal	325000	50000

27. In accordance with Accounting Standard Ind AS 108 'Operating Segment' the Company has only one reportable business segment and have only one reportable geographic segment in India.

**28. Financial Instruments****A. Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. Financial assets and liabilities such as cash and cash equivalents, other bank balances, trade receivables, loans, trade payables of which the carrying amount is a reasonable approximation of fair value due to their short term nature, are disclosed at carrying value.

(Amount in Rs.)

As at March 31, 2019	Carrying amount/ Fair Value				Fair Value Hierarchy		
	FVTPL	FVO CI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>							
Investments in equity instruments	1,73,12,298			1,73,12,298			1,73,12,298
Other financial			4,96,162	4,96,162			

**SPICY ENTERTAINMENT AND MEDIA LIMITED****Notes to Financial Statements as at and for the year ended 31st March 2019**

assets (Non Current)							
Trade Receivables			4,77,75,356	4,77,75,356			
Cash & Cash equivalents			13,89,504	13,89,504			
Other Financial Assets (Current)			78,31,61,088	78,31,61,088			
	<b>1,73,12,298</b>		<b>83,28,22,110</b>	<b>84,96,38,246</b>			
<b>Financial Liabilities</b>							
Trade Payables			29,91,79,000	29,91,79,000			
Other financial liabilities (Current)			-	-			
		-	<b>29,91,79,000</b>	<b>29,91,79,000</b>			

As at March 31, 2018	Carrying amount/ Fair Value				Fair Value Hierarchy		
	FVTPL	FVO CI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>							
Investments in equity instruments	1,66,15,062			1,66,15,062			1,66,15,062
Other financial assets (Non Current)			4,94,850	4,94,850			
Trade Receivables			4,77,75,356	4,77,75,356			

**SPICY ENTERTAINMENT AND MEDIA LIMITED**

**Notes to Financial Statements as at and for the year ended 31st March 2019**

Cash & Cash equivalents			13,89,515	13,89,515			
Other financial assets (Current)			84,24,67,588	84,24,67,588			
			<b>89,21,27,309</b>	<b>89,21,27,309</b>			
<b>Financial Liabilities</b>							
Trade Payables			6,00,000	6,00,000			
Other financial liabilities (Current)			62,000	62,000			
	-	-	<b>6,62,000</b>	<b>6,62,000</b>			

**B. Fair Value Hierarchy**

The fair value of financial instruments as referred to in Note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs)

**29. Contingent Liabilities:** Nil (Previous Year – Nil)

**30. Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

### **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities. The Company generally doesn't have collateral.

### **Trade Receivables and Security Deposits**

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

### **Liquidity Risk**

The company's principal source of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived

## **31. Capital Risk Management**

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

**SPICY ENTERTAINMENT AND MEDIA LIMITED**

**Notes to Financial Statements as at and for the year ended 31st March 2019**

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**32.** There was no expenditure/earning in Foreign Currency during the year.

**For RAK Champs & Co. LLP**  
**Chartered Accountants**  
**FRN No: 131094W/W100083**

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

**CA Ramanath Shetty**  
**Partner**  
**Membership No. 218600**  
**Place: Kolkata**  
**Date: 30<sup>th</sup> May, 2019**

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

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