



Ref No.: SEL /Book Closure- Annual Report & Notice / Aug-2019 /01

August 22, 2019

The Secretary,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E), Mumbai-400 051.
NSE Symbol: SHEMAROO

The Secretary,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 023.
Scrip Code: 538685

Dear Sir/Madam,

Sub: SHEMAROO ENTERTAINMENT LIMITED - ISIN: INE363M01019 - Symbol: SHEMAROO

Re: Annual General Meeting & Notice, Record Date and E-voting

This is to inform you that the 14th Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, September 24, 2019 at 04:00 P.M. at M.C.Ghia Hall (Royal Banquet), 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001. The Annual Report 2018-19 containing Notice of the AGM is attached.

Further, the Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 18, 2019 to Tuesday, September 24, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend for the financial year March 31, 2019.

Further, Final Dividend of Rs. 1.65/- per equity shares as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after September 24, 2019 (within the statutory time limits).

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing e-voting facility to its members.

The members holding shares, in either physical form or dematerialized form, as on the cut-off date i.e. Tuesday, September 17, 2019 may cast their vote electronically to transact the business set out in the Notice of AGM.

Thanking you,

Yours faithfully,

For Shemaroo Entertainment Limited


Dipesh U. Gosar
Company Secretary & Compliance Officer
Membership No.:- A23755



Enclosure: As above

CC:

- | | | |
|--|---|--|
| 1. National Securities Depository Limited
Trade World, 4 th Floor,
Kamala Mills Compound,
Lower Parel, Mumbai-400 013. | 2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
17 th Floor, Dalal Street,
Mumbai-400 001. | 3. Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400083. |
|--|---|--|

SHEMAROO ENTERTAINMENT LIMITED

Shemaroo House, Plot No. 18, Marol Co - Op. Industrial Estate, Off Andheri Kurla Road, Andheri (E), Mumbai - 400 059.
Tel.: +91 - 22 4031 9911 | Fax: +91 - 22 2851 9770 | Email: shemaroo@shemaroo.com
shemarooent.com | CIN: L67190MH2005PLC158288

Contents	01 Corporate information	02 India khush hua	03 Corporate snapshot
04 Financial snapshot	06 Managing Director's optimism	07 CEO's perspective	08 Asli fans ko humara saalam
09 Television continues to grow	10 Shemaroo: Capitalising on the digital revolution	11 Many genres and languages. One Shemaroo	12 Taking India to the world
13 Board of Directors	14 Management Discussion and Analysis		18 Board's Report
34 Corporate Governance Report	57 Standalone financial statements	90 Consolidated financial statements	

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar nature/meaning in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information



BOARD OF DIRECTORS

Mr. Buddhichand Maroo DIN: 00169319 Chairman	Mr. Hiren Gada DIN: 01108194 CEO & CFO	Mr. Kirit Gala DIN: 01540274 Independent Director	Dr. CA Reeta Bharat Shah DIN: 07141304 Independent Director
Mr. Raman Maroo DIN: 00169152 Managing Director	Mr. Jai Maroo DIN: 00169399 Executive Director	Mr. Vasanji Mamanja DIN: 00013071 Independent Director	
Mr. Atul Maru DIN: 00169264 Jt. Managing Director	Mr. Gnanesh Gala DIN: 00093008 Independent Director	Mr. Shashidhar Sinha DIN: 00953796 Independent Director	



COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Dipesh U. Gosar



STATUTORY AUDITORS

M/s. M.K. Dandekar & Co.



INTERNAL AUDITORS

M/s. Gawande & Associates, Chartered Accountants



SECRETARIAL AUDITORS

M/s. Manish Ghia & Associates



BANKERS

State Bank of India **Bank of India** **NKGSB Co-Op. Bank Limited**
Deutsche Bank A.G. **Yes Bank Limited**



REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.
T: +91-22-4918 6000 **F:** +91-22-4918 6060 **W:** www.linkintime.co.in/ **E:** mumbai@linkintime.co.in



REGISTERED OFFICE

Shemaroo House, Plot No. 18, Marol Co-Op. Indl. Estate, Off Andheri-Kurla Road, Andheri (East), Mumbai -400 059 **T:** +91-22-4031 9911 **F:** +91-22-4031 9794 **W:** <http://www.shemarooent.com/>
E: shemaroo@shemaroo.com



CORPORATE IDENTITY NUMBER

L67190MH2005PLC158288



With a rich legacy of offering memorable family moments to Indians for the last 56 years, Shemaroo is synonymous with India's happy moments. We can claim this with the full confidence we have garnered by understanding Indian viewers and viewership trends over the last five decades.

Just the way Indians love *masala* in their food, we also love our dramatic, *masaledaar*, cheerful, hatke and energetic content.

Shemaroo delivers these *tadkedaar* moments to Indian masses through a wide array of inclusive, uplifting and multi-genre content, which includes Bollywood movies, regional entertainment, devotional and kids' content.

With the evolving preference of our audience and new trends of on-demand content consumption, Shemaroo reinvented itself to launch ShemarooMe, a one-stop destination for diverse audiences seeking an authentic Indian entertainment experience.

Our refreshed and vibrant brand identity continues to be an antidote to boredom. We de-stress millions by delivering quality content that appeals to Indian preferences.

We proudly present to you this annual report of happiness.

9 things you need to know about Shemaroo Entertainment Limited



Background

Having started as a book circulating library in the early Sixties, Shemaroo is one of India's largest Film Entertainment Content Powerhouses, a pioneer in content ownership and distribution



Management

Shemaroo's management has led from the front in the creation of structures, processes, and systems to create a truly professional and people focused organisation



Presence

The Company is headquartered in Mumbai with offices in Delhi and the USA



Content Powerhouse

The Company possesses more than 3,900 titles of film and non-film entertainment across diverse genres such as Bollywood, Comedy, Devotional, Music, Regional and Kids



Employee Strength

The Company had 591 employees on its rolls as of 31st March 2019



Financial

Shemaroo's revenue has grown at a CAGR of 16.5% over the last five years. It's profit after tax has grown at a CAGR of around 25% over the same period



Listing

The Company got listed on BSE and NSE in October 2014



Partnerships

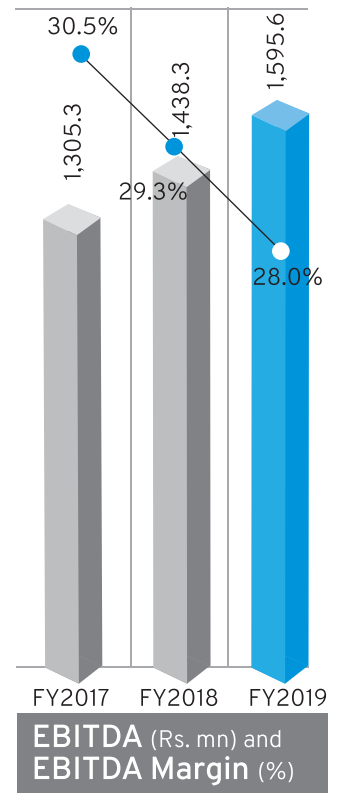
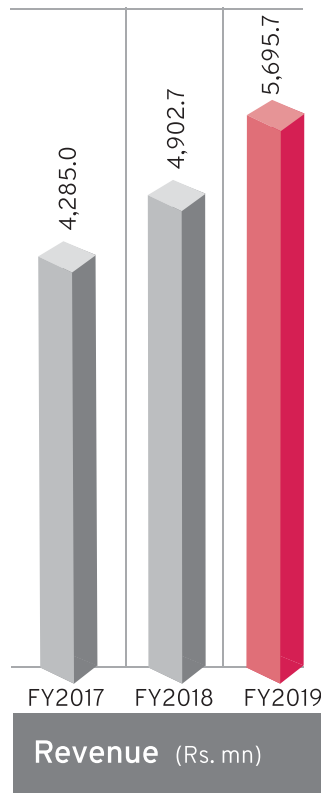
Shemaroo enjoys a deep and entrenched partnership with traditional television channels such as Star, Sony, Zee, Viacom, Doordarshan as well as with contemporary digital platforms such as YouTube, Hotstar, Voot, Amazon Prime Video and with telcos such as Vodafone Idea and Airtel



Awards and Accolades

Recognised as a leader in the M&E sphere by various industry forums such as the Internet and Mobile Association of India, the Advertising Agencies Association of India, Promax, Exchange for Media & Adgully

Financial snapshot



Strengths of Shemaroo



BRAND
The Shemaroo brand is synonymous with Indian masala entertainment



CONTENT POWER HOUSE

Shemaroo possesses rights to over 3,900 titles, of which more than 1,100 titles are with perpetual rights



DIVERSITY

Shemaroo understands India's massive diversity. It has created a content library ranging across all major Indian languages like Hindi, Gujarati, Punjabi, Marathi and Bengali



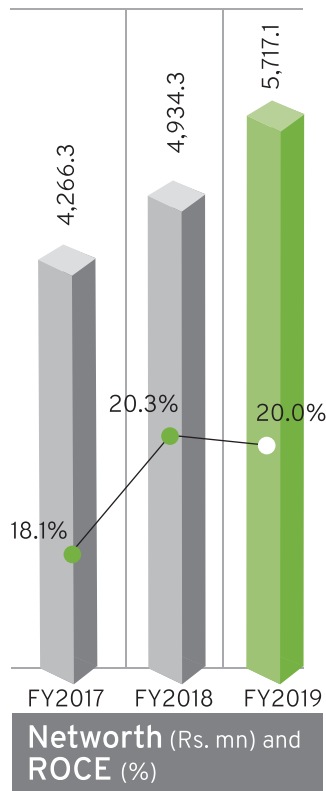
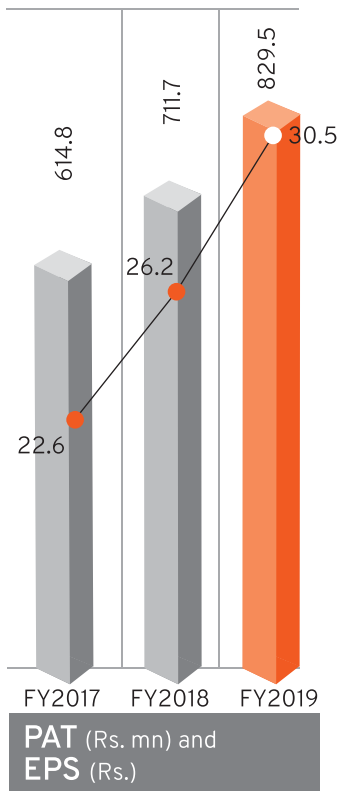
GENRES

Shemaroo's growing relevance has been derived from a library, comprising diverse and popular genres such as Bollywood, devotional, kids, regional, comedy and music



STICKINESS

Shemaroo has accounted for over a billion monthly views on YouTube at an average of more than 40 million views per day



RELATIONSHIPS

Shemaroo is proud of its excellent and long-lasting relationship with players across the media & entertainment value chain, adding value to all stakeholders



KNOWLEDGE

Shemaroo has been a content consultant to leading media companies leveraging its knowledge of the box office and viewership patterns of over five decades



PRUDENCE

Shemaroo engages in selective acquisition of rights based on a deep understanding of the second and subsequent phases of the life-cycle of a movie



CONSUMER CONNECT

Shemaroo has created a content bank with a deep understanding of the local needs of Indian consumers



DE-RISKED MODEL

Shemaroo's presence across television, digital and other media platforms helps to monetise its assets across platforms



TEAM

Shemaroo is steered by an experienced leadership and management team who possess a deep understanding of the film industry, growing innovations in the media sector and market trends



Managing Director's optimism

Shemaroo's growth story is only just beginning

THE YEAR 2018-19 TURNED OUT TO BE A TRANSFORMATIVE YEAR FOR SHEMAROO. IT TOOK US A STEP CLOSER TO OUR STRATEGIC VISION OF MAKING 'INDIA KHUSH'.

The beginning of the financial year witnessed Shemaroo refresh its brand identity to reflect the contemporary nature of its business. Emphasis was given on a fresh, modern and dynamic design to strengthen appeal across Indian and diaspora audiences.

We believe that Indian M&E industry is on the cusp of a growth led by innovation and changing perspective with respect to consumers and content. With increasing smartphone penetration, cheaper mobile data, rising internet speed and adoption of 5G, the digital arena will be a significant driver of growth in the coming years. To tap this opportunity we launched ShemarooMe, a video streaming platform with content across genres and languages from Shemaroo's extensive library. This was another significant step in our digital journey and we promise to remain focused on offering compelling content to cater to evolving consumer preferences.

India is probably among the few countries in the world that is witnessing significant concurrent growth in traditional and digital M&E space. Backed by growing regional preferences, higher TV penetration and rising income level, traditional media continues to hold the largest pie of the M&E industry. During the year, we continued to monetise our existing and ever increasing content library on traditional media platforms and launched several ad-free subscription-based services on leading DTH platforms across genres such as thriller, horror and regional languages.

I am glad to share that during the year under review, our existing lines of businesses continued to grow and have crossed several milestones. Our viewership across all our YouTube channels achieved a new high record, with the monthly views almost doubling in a year's time to more than 1.2 billion in March 2019. We reached out to new

content platforms and territories and strengthened our existing partnerships to extend our reach. We have significantly expanded our content library across categories and genres over the last year, which would help us in catering to a wider audience.

On the organisational front, we believe that in order to achieve our strategic vision, it is imperative to invest in people. Keeping this in mind, we reorganised our leadership and inducted professional talent in senior positions. As we step confidently into the future, we believe that our new 'India Khush Hua' positioning will enhance value for all stakeholders and together create a stronger Shemaroo.

Yours sincerely,
Raman Maroo



CEO's perspective

Building a future-ready Shemaroo

THE FINANCIAL YEAR 2018-19 WAS EXCITING FOR US. AS ALWAYS, OUR FOCUS WAS ON DELIVERING CONSUMER DELIGHT AND CREATING LONG TERM VALUE FOR ALL STAKEHOLDERS.

During the year, we went for a brand refresh with a new tagline - 'India Khush Hua' - with a vision to provide a unified brand experience, to emphasise our mission to entertain one and all and reiterate our joy by continuing to bring a multi-genre offering to our consumers. We believe that our rebranding will enhance our contemporariness and enhance our appeal to audiences the world over.

India's entertainment sector is at an inflection point. India's increased appetite for content was reflected in a 13.4% growth in the media and entertainment sector in 2018 over 2017 to reach USD 23.9 billion; a growth which is higher than the global average. The catalysts behind this growth were improving macro-economic conditions, easier content access through modern technology formats and wider and localised content offering. The sector is expected to grow at a CAGR of over 12% and is expected to reach USD 33.6 billion by 2021. As we take the next steps on our journey towards

accelerated growth, we are positive that we will continue to explore opportunities within this space, keeping the consumer at the centre of all our planning and will continue to bring alive the timeless idea of 'India Khush Hua'.

We have taken some giant strides and our progress in FY2018-19 was remarkable. Our FY2018-19 revenue grew by 16.2% year-on-year to Rs. 5,695 million, whilst we reported a consolidated net profit of Rs. 829 million, exhibiting a growth of 16.6% year-on-year.

At Shemaroo, our formidable 'capital' is our 'exhaustive library of entertainment content'. This vast, multi-genre, multi-lingual library-of more than 3,900 titles - is relevant for viewers across all age groups and across decades, thus addressing the consumption needs of any user, at any time across mediums.

We have always been at the forefront when it comes to venturing into new

segments and categories. We made a strategic investment to acquire 50% stake in 'Dominiche Productions', a leader in the astrology space. We believe that addition of new scalable categories will further unlock the value and bring synergies across our existing bouquet of offerings.

At Shemaroo, we are attractively positioned to capitalise on the sectoral inflection point. We aim to significantly increase our B2C presence in the next few years through innovative product offerings addressing the evolving entertainment needs of consumers. The launch of ShemarooMe during the year marked the commencement of our exciting B2C journey.

We truly believe that this represents the beginning of a journey in an exciting direction that graduates us to the next league of making 'India Khush'

Yours sincerely,
Hiren Gada

Asli fans ko humara salaam.

Investing in growing segments of an under-penetrated India



Shemaroo Entertainment is one of the most attractive proxies of India’s media and entertainment sector. Over the years, the Company has evolved its presence and offerings to stay relevant in an industry marked by continuous dynamism and innovation.

The Company has consistently reinforced its position as a content powerhouse, dependable content aggregator and content provider to leading broadcasters, DTH and digital platforms. The Company continues to be respected as a one-stop solution provider through the offering of its content bouquet to most stakeholders in the M&E space. It remained ahead

of the technology curve, graduating from the pioneering launch of Home Videos to being among the first to partner with YouTube and telcos in India. In FY2018-19, the Company reinforced its commitment to make ‘India khush’ through the launch of its OTT video streaming app, ‘ShemarooMe’.

The Company believes that even though digital medium is an exciting new development, the conventional growth engines are just on the cusp of maturity. This has resulted into India emerging as an unusual market that reconciles scale, diversity and under-penetration, thus making it a multi-engine and multi-year growth story for the Company in the years to come.

Content library as on 13th May 2019

Types of Content	Perpetual Titles	Limited Ownership Titles	Total Numbers of Titles
Hindi Films	498	1,466	1,964
Regional Titles	637	1,028	1,665
Special Interest Content	60	252	312
Total	1,195	2,746	3,941

Television continues to grow



The quality and quantity of Shemaroo's library enables it to offer content to all major players in the traditional media space and more specifically to the TV ecosystem.

Shemaroo was an early mover in realising this opportunity and started acquiring content rights from various content owners across multiple categories. Today, as we ride on the strength of our content library, it can be easily assumed that most broadcast networks /channels would have some content syndicated from Shemaroo at some point or the other. The attractiveness of the television media in India is that this segment will continue to grow even after the emergence of the digital phenomenon.

The reasons are not too far or too difficult to seek. India is the second largest television media market in the world in terms of subscribers. Even as a number of advanced economies have realised their near-full potential, the Indian TV market is projected to grow at a CAGR of around 9% between 2018 and 2021. The Indian TV industry grew from

Rs. 66,000 crore to Rs. 74,000 crore in 2018, a growth of 12%; higher than that in most of the large and mature global markets.

There are several reasons for the sustainable growth of the Indian television media segment. TV penetration in Indian households stands at around 67%. This means more than 100 million Indian households are yet to buy a television set. One reason for this low penetration is rooted in the joint family structure and community viewership of television content in India. However, this has begun to change over the last few decades as Indians have started migrating outside their home town to leverage economic opportunities elsewhere in India. Concurrently, home financing has increased as the average Indian has become more receptive to taking loans. This has supported the formation

of nuclear families. Increase in income, aspiration and fragmentation of homes have been the principal drivers of television offtake.

What makes television entertainment a sustainable growth story in India is its affordability. It offers a range of entertainment options at one of the most affordable costs in the world. Another reason for our optimism is that India's rural market is maturing rapidly from the consumption of free-to-air channels.

Leveraging its multi-decade experience in the sector, Shemaroo, in association with most leading DTH players in India, operates subscription-based, ad-free content services across various genres such as movies, devotion, comedy, thriller and regional languages, among others.

Shemaroo: Capitalising on the digital revolution



Shemaroo is amongst the first Indian content owners to notice, identify and act upon the growth in the digital media space. The contribution of digital revenue in the total revenue pie of the Company has been steadily growing.

The consumption of video content on-the-go is probably the most exciting story of India's media entertainment and lifestyle of many Indians, manifested through a growing consumer need to watch any video of choice, anytime and anywhere.

Shemaroo has invested decisively to capture this unprecedented opportunity. In FY2018-19, the Company launched its video content app, ShemarooMe, an attractive product in India's exciting OTT space.

ShemarooMe is a comprehensive app for the Indian market with a diverse and exclusive content offering for an audience looking for Indian video content across Bollywood, Gujarati, Marathi, Devotional, Punjabi, Bengali and Kids genres to cater to the needs of all age groups. The number of individuals consuming video content online in India is expected to rise from

325 million in 2018 to more than 500 million by 2020. The exponential growth in the online video consumption will be primarily driven by consumers from smaller towns and rural areas. ShemarooMe aims to reach out to these masses beyond the metros whose content preferences are not limited to those of the niche English speaking consumers. With customised offerings on the plate, ShemarooMe will suit the content preferences of every Indian. The Company entered into a strategic partnership with Vodafone Idea to offer its subscribers ShemarooMe's multi language rich content. The Company will continue to build B2B partnerships across multiple industries to increase the reach and consumption. To further expand the consumer base and cater to the growing global demand for Indian content, ShemarooMe has been launched in the US.

Shemaroo is among the most viewed channel partners for YouTube in India and has more than 50 channels of its own on YouTube. The subscriber base continues to grow significantly with the Company's flagship channel 'ShemarooEnt' crossing 15 million subscribers and 'FilmiGaane' crossing 21 million subscribers in March 2019. Shemaroo's content on YouTube gets over 1.2 bn views a month at an average of more than 40 million views per day.

Besides its own platform and YouTube presence, Shemaroo has partnered with other OTT majors such as Amazon Prime, Reliance Jio, SonyLive, Hotstar, Voot, Etisalat, Mauritius Telecom, Tata Sky Connected Boxes among others, to distribute its content.

Many genres and languages.
One Shemaroo



Shemaroo was early to identify the importance of localisation and build a strong library/ portfolio of regional content around languages such as Gujarati, Marathi, Punjabi, Bengali among others.

India is as diverse as it is large, being the second most populous market in the world and home to more than 120 languages. India is possibly the world's most heterogeneous media entertainment market comprising a number of languages on one level and a multitude of genres on the other. This is exhibited by the fact that even as Hindi language programming dominates India's media entertainment industry, a number of regional content segments continue to be vibrant and growing.

Driven by localisation strategy of global

OTT platforms, emphasis on growth of digital audiences by domestic OTT platforms, as well as by the increased viewership of regional television channels, the demand for regional content has increased substantially in 2018.

The increased availability and competitive pricing of 4G services provide a particularly exciting opportunity for companies to reach a broader set of Indian consumers in diverse regional markets and smaller towns.

Shemaroo was early to identify the

importance of localisation and build a strong library/portfolio of regional content around languages such as Gujarati, Marathi, Punjabi, Bengali among others. Infact, it has one of the largest content libraries for Gujarati. It has been offering regional content on various platforms such as YouTube, DTH and others.

The Company plans to entertain audiences across regions and languages, in India as well as abroad by strengthening its regional content offering and entering new languages.

Taking India to the world



The Company caters to a large audience in the international market through its relationships with many leading international traditional and digital platforms across regions such as USA, Europe, South East Asia, Africa, Australia, UAE among others.

As reported in a study conducted by the UN Population Division, over 15 million migrants from India are scattered across the globe. The global Indian diaspora is the biggest as compared to any other country in the world. As Indians travel outside the country and hence as our media entertainment preferences globalise, there is a growing market for Indian content across the sizable Indian diaspora as well as across other nationalities supported by multi-lingual content, sub-titling or dubbing. This internationalisation of content

preferences is one of the most exciting development catalysing the Indian media entertainment sector.

The Indian broadcasters continue to expand their global footprint. It is expected that international revenue could reach 15% of their topline by 2021. The demand for Indian movies abroad is also growing. In 2018, Indian films were distributed in more than 35 global territories including USA, UK, China, GCC Countries, Australia, Canada among others. Around 125 movies (Hindi and regional films) were released in overseas

theatrical markets in 2018.

Indians living abroad are willing to pay for content and yet have limited options for this content. The Company caters to a large audience in the international market through its relationships with many leading international traditional and digital platforms across regions such as USA, Europe, South East Asia, Africa, Australia, UAE among others.

With an eye on the North American market, the Company has opened an office in USA.

Board of Directors

Mr. Buddhichand Maroo

Chairman

He is the founder of Shemaroo group. He started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. He has an experience of approximately 57 years, out of which, he has been associated with Media and Entertainment Industry for around 36 years. He was recently felicitated with Lifetime achievement GIFA Golden Award for his contribution towards the Gujarati film industry by Gujarati Iconic Film Awards in the year 2018.

Mr. Raman Maroo

Managing Director

He has an experience of approximately 45 years, of which about 36 years have been spent in the media and entertainment industry. He has been instrumental in the Group's expansion into television rights syndication as well as in the transformation of Shemaroo into an established filmed entertainment content house. He has always been the driving force in the Company, taking it into new directions.

Mr. Atul Maru

Joint Managing Director

He has about 39 years of experience in the media and entertainment industry. He has managed the transition of the Company from its VHS days to today's multi-platform operation. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company.

Mr. Hiren Gada

CEO & CFO

He is the Whole Time Director of the Company. He has approximately 23 years of work experience of which he has spent about 16 years with the media and entertainment industry. He has played an active role in the transformation of Shemaroo from a family-run business to a professionally driven business in terms of systems and processes and best industry practices, etc. He handles the Strategy and Finance functions of the Company. He is a regular speaker at various industry forums and is regularly quoted in media on several issues pertaining to the industry and the Company.

Mr. Jai Maroo

Executive Director

He holds a Master's Degree in Computer Science and Engineering from Pennsylvania State University, U.S.A and a Graduate Degree in Computer Engineering from the University of Mumbai. He has worked in the technology industry in USA and Singapore and has approximately 16 years of experience in the Media and Entertainment industry. Given his strong technical background, he has catalysed Shemaroo's expansion on digital distribution platforms such as Mobile, Internet, OTT etc. Currently, he is steering the Organisation Transformation & Excellence portfolio for the Company.

Mr. Gnanesh Gala

Independent Director

He has around 36 years of experience in the educational publishing industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 23 years and is presently the Managing Director of the said Company.

Mr. Vasanji Mamania

Independent Director

He has around 57 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Nonferrous Metals. He was the Co-Founder of Adlabs. Mr. Mamania has handled responsibilities ranging from operations to financial planning and engineering inputs in design and processes.

Mr. Shashidhar Sinha

Independent Director

He is an alumni of IIT Kanpur & IIM Bangalore, where he was recently conferred the "Most Distinguished Alumni Award". He has over 30 years of experience in media and advertising. Mr. Sinha, an Indian Executive who is the current CEO - India, IPG Mediabrands, manages the second largest Media Agency Group. He is widely recognised for his strategic approach to media solutions across a wide portfolio of over 100 blue chip clients. Mr. Shashi is also actively involved in various industry bodies such as the Advertising Standards Council of India (ASCI), the Advertising Agencies Association of India (AAAI), Readership Studies Council of India (RSCI), the Broadcast Audience Research Council India (BARC). He is also an honorable member of the prestigious Facebook India Client Council.

Mr. Kirit Gala

Independent Director

He has completed his Masters in Business Administration and Mechanical Engineering from Mumbai University. He has around 29 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He has been guest speaker on various entrepreneurial and venture capital/private equity forums and has already been featured in some leading Business magazines for his expertise.

Dr. (CA) Reeta Bharat Shah

Independent Director

DR. CA Reeta is a Ph.D. from IIT Bombay, a member of Institute of Chartered Accountants of India, Masters in Philosophy, Masters in Commerce, Masters in Business Administration (HRM), Bachelors of Law (General) and Bachelors of Commerce (Hons.). She has over 31 years of experience in the field of education and administration in various capacities. She is engaged as Growth strategist, Tedx and International keynote speaker. DR. CA Reeta is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics.

Management discussion and analysis



GLOBAL ECONOMIC OVERVIEW

Following a robust growth of 3.8% in 2017 and in the first half of 2018, the global economy slowed in the second half of 2018, reflecting a confluence of factors affecting major economies like the failure of the Brexit negotiations, tightened financial conditions, geopolitical tensions and higher crude oil prices. Owing to this, global economic growth, which was at 3.6% in 2018, is estimated to slow down to 3.3% in 2019

before recovering back to 3.6% in 2020. The global economy is projected to pick up in the second half of 2019 riding on the back of an ongoing buildup of policy stimulus in China, recent improvements in global financial market sentiment, the weakening challenges to growth in the euro area, and a gradual stabilisation of economic conditions in stressed emerging market economies, including Argentina and Turkey.

Emerging markets and developing economies are expected to sustain the momentum of growth till 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress. As a counterpoint to the growing trends in the developing economies, economic activities in advanced economies are projected to continue slowly.

[Source: World Economic Outlook, January 2019]



INDIAN ECONOMY OVERVIEW

India emerged as the sixth-largest economy and retained its position as the fastest-growing trillion-dollar economy. India's economy grew by 6.8% in FY2018-19. (World Bank)

The principal developments during the year under review comprised a sustained increase in per capita income, decline in national inflation, steady interest rates and weakened consumer sentiment starting from the second half of the financial

year. The weaker sentiment was on account of a large non-banking financial institution announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which resulted in a slower GDP growth, that declined to 5.8% by the fourth quarter of the year under review.

In fiscal year 2018-19, the country attracted ~USD 42 billion of Foreign direct investment as per World Investment Report 2019.

India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the ease of doing business that captured the performance of 190 countries. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. Encouraging economic indicators along with various government initiatives is expected to further boost the domestic growth of the country.



MEDIA AND ENTERTAINMENT INDUSTRY

India's media consumption grew at a CAGR of 9% from 2012 to 2018 due to a sustained increase in the national digital user base, powering the offtake of all

segments. In 2018, television, print and films were the major media entertainment segments accounting for a market size of Rs. 740 billion, Rs. 306 billion

and Rs. 175 billion respectively. However, the fastest growth was seen in the digital media segment; it reported a growth of 42% reaching Rs. 169 billion in 2018.



PROJECTED INDUSTRY PERFORMANCE

Market size (Rs. billion)	2017	2018	2019E	2021E	CAGR (18-21%)
Television	660	740	815	955	8.8%
Print	303	306	317	338	3.4%
Filmed entertainment	156	175	194	236	10.6%
Digital media	119	169	223	354	28.0%
Animation and VFX	67	79	93	128	17.4%
Live events	65	75	86	112	14.0%
Online gaming	30	49	68	120	35.5%
Out of home media	34	37	41	49	9.2%
Radio	29	31	34	39	8.0%
Music	13	14	16	19	10.8%
Total	1,476	1,674	1,887	2,349	12.0%

Source: EY – A billion screens of opportunity



MEDIA ENTERTAINMENT GROWTH DRIVERS

FDI limit: FDI limit for the media and entertainment sector was eased in 2016 to 100% automatic permission for FDI in teleports, DTH, cable networks, Mobile TV, head end in the sky broadcasting service and cable networks.

Economic growth: The GDP and economic reform programmes of the Central Government indicate recovery. Consumer price inflation is expected to remain subdued, interest rates could steady and global crude oil prices could remain stable. Besides, factors like bank recapitalisation, rural consumption revival and Insolvency and Bankruptcy Code reform could strengthen the economy.

Rising income: India's per capita GDP increased from USD 2,015.23 in March 2018 to an estimated

USD 2,041.01 in March 2019. The increased disposable income catalysed consumption.

Working population: India's urban middle-class workforce (over USD 11,000 annual income) stands at 27 million or 2% of its population with a large growth headroom that could accelerate consumption. This growth is likely to be catalysed by an increase in the number of working women and youth, strengthening media content consumption.

Demographic mix: India is a young country with a median age of 26.4 years. Almost half its population is under the age of 25 and two-thirds less than 35. India is expected to possess the world's largest workforce by 2027, with 64.9% of the population in the economically

productive age range of 15 to 64.

Rural market: The rural population of India, accounting for 66.86% of the national population, represents a large and relatively under-penetrated market offering the potential for sustained growth.

Growing middle-class: India's wealth has grown 9.2% per annum, faster than the global average of 6% from the year 2000 even after taking into account an annual population growth of 2.2%, strengthening indulgence spending.

GST relief: From 1st January 2019, GST on film tickets costing less than Rs. 100 was reduced from 18% to 12% and from 28% to 18% on tickets costing more than Rs. 100 with the objective of widening the sector.



SEGMENT-WISE REVIEW

Television: The Television industry grew by 12% in 2018 to reach Rs. 740 billion. Growth was led by a 14% increase in advertising revenues and an 11% increase

in subscription revenues. During 2018, regional advertising outpaced national advertising growth due to national brands spending more to grow non-metro

markets where GST had created a level playing field between national and regional brands.

Television Industry Highlights All revenues in Rs. billion

	2017	2018	2019E	2021E
Advertising	267	305	333	403
Distribution	393	435	481	551
Total	660	740	815	955

During the year, TV penetration reached 66% - to 197 million households - in 2018 from 64% in 2016. Around 88% of these television-owning homes were digitised. According to the BARC, around 33% of TV viewing households subscribed to DTH, 15% had free DTH and 50% had digital cable. Digitisation has led to increased collections from customers in DAS-III and DAS-IV markets, with many cities surpassing ARPU of Rs. 200 per

month number. DTH ARPUs have been affected by a change in the subscriber mix with incremental subscribers coming at a lower point and the movement of subscribers to lower value regional packs.

Data claims that around one trillion man-minutes are spent per week on television. It has been witnessed that around 3 hours 46 minutes is spent on watching television per day. It also claims that around 53% of total content consumed was on general

entertainment and another 24% was on films and 7% was on news.

In the year 2018, another reason for the increase in TV viewership was regional channels. The viewership growth was led by Oriya, Assamese, Marathi, Bhojpuri and Urdu content.

The growth of the television sector is expected to be a healthy 9% between 2018 and 2021 reaching around Rs. 955 billion by 2021 backed by 10% advertisement and 8% subscription growth [Source: KPMG, IBEF, EY]



DIGITAL MEDIA

In 2018, digital media grew 42% to reach Rs. 169 billion; digital advertising recorded a growth of 34% (Rs. 154 billion in 2018) and subscription of 262% (Rs. 14 billion in 2018). The online video streaming market was catalysed by a widening geographical coverage of high-speed data, increasing smartphone penetration, affordable data charges and increased availability of creative video content. OTT platforms also facilitated the watching of films anywhere and anytime at a reasonable cost.

The main factors responsible for the growth of this sector are:

- Increase in the availability of low cost smart phones.
- Smartphone penetration in India grew to 36% of total phones in 2018 and is expected to reach 39% by the end of 2019.
- Improvement in Broadband infrastructure.
- A large part of the digital media growth can be attributed to the increasing internet penetration; internet subscribers increased by ~28% from 446 million to 570 million. Internet growth primarily came from the rural sector, which grew by 49% to reach 197 million

whereas urban internet users grew by 19% from 314 million in December 2017 to 373 million in November 2018. Internet users is expected to reach over 700 million by the year 2021.

- Low data charges
 - With ~USD 0.05 per GB or Rs. 3.1 per GB, India has one of the lowest data charges in the world. Average data consumption doubled in 2018 from 4GB in 2017 to 8GB in 2018.
- Introduction of 5G network
 - Rollout of fibre and 5G network is expected to further improve the connectivity from 2020 onwards

Digital Media Industry Highlights: All revenues in Rs. billion

	2017	2018	2019E	2021E
Advertising	114.9	154.4	200.4	300.9
Subscription	3.9	14.2	22.9	52.9
Total	118.9	168.6	223.3	353.8

Online viewership grew by 25% from 260 million in 2017 to 325 million in 2018. Paid video subscribers grew from around 7 million in 2017 to around 12-15 million in 2018 (net of those accessing content through telco content plus data bundles). Furthermore, more than 50% of the online video consumption was in languages other than Hindi, while

40% of consumers were from Tier II and III cities. It has been witnessed that Indian broadband internet subscribers consumed around 8.5 hours per week of online video, higher than the global average of 6.75 hours per week.

Digital media is expected to report the fastest growth in the M&E industry growing at a CAGR of

more than 28% between 2018 and 2021 to reach Rs. 354 billion. The growth will be driven by advertisement which will hold a larger pie of Rs. 300 billion in 2021; however, subscription will witness a higher growth to reach Rs. 50 billion by 2021.

[Source:EY]



OUTLOOK

The Indian media and entertainment industry is expected to grow to Rs. 2,349 billion by 2021 from Rs. 1,674 billion in FY2017-18. Moving ahead, the number of online video viewers is expected to reach 500 million by 2021 from ~325 million in FY2017-18. The long-term forecast for advertising growth in the television industry has been placed at 11% CAGR over 2018-21 and around 9% CAGR for overall sectoral growth during this period.

What generates the most optimism is that following the rising penetration of mobile internet and smartphones, an alternative

means of media consumption has emerged in India. The number of internet-enabled mobile phones is expected to touch 700 million in 2021. Mobile video traffic is expected to grow 11.5 times during 2016-21 at a CAGR of 63%, and the number of video-capable devices and connections is expected to grow 2.2 times between 2016 and 2021, crossing the 800 million mark. This will correspondingly increase demand for digital content accessible on a mobile phone.

Television: It is expected that TV penetration too will grow in the coming years. Therefore growing

TV penetration, strong advertising demand on the back of domestic consumption, major events and better realisations due to TV digitisation will lead to strong growth in the TV sector in the coming years.

Digital media: It is expected that the digital media segment will overtake film by 2019 and print by 2021. Video watch time is expected to grow 3 to 3.5x over the next five years resulting in an increase in inventory and thereby advertising revenue is expected to grow by 2x.

[Source:KMPG, EY, IBEF, Forbes, PWC]

Performance review

Ratios	Standalone		Consolidated	
	FY18-19	FY17-18	FY18-19	FY17-18
Debtors turnover ratio	3.51	3.45	3.58	3.49
Inventory turnover ratio	0.99	0.95	1.01	0.95
Interest coverage ratio	6.17	4.46	6.02	4.52
Current ratio	2.98	2.81	2.99	2.87
Debt equity ratio	0.34	0.38	0.35	0.38
Operating profit margin (%)	28.6%	28.6%	27.0%	28.3%
Net profit margin (%)	15.7%	14.5%	14.6%	14.5%
Return on net worth	27.1%	27.5%	26.9%	28.1%

To avoid duplication and repetition, certain heads of information required to be disclosed in the Management discussion and Analysis have been included in the Board's Report

Board's Report

Dear members

Your Directors take pleasure in submitting their 14th Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2019.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Current year 2018-2019	Previous year 2017-2018
Total Income	54,975	47,864
Total expenditure	41,790	37,241
Profit Before Taxation	13,185	10,623
Tax Expenses	4,574	3,674
Profit After Taxation	8,611	6,949
Other Comprehensive Income	38	41
Total comprehensive income for the year	8,649	6,990

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Standalone Revenue from Operations & Other Income increased to Rs. 54,975 Lakhs as against Rs. 47,864 Lakhs in the previous year and the Consolidated Revenue from Operations & Other Income increased to Rs. 56,957 Lakhs as compared to Rs. 49,027 Lakhs in the previous year.

Your Company had a standalone growth with a Net Profit after tax of Rs. 8,611 Lakhs as compared to the Net Profit after tax of Rs. 6,949 Lakhs in the previous financial year and a consolidated growth with a Net Profit after tax of Rs. 8,295 Lakhs as compared to the Net Profit after tax of Rs. 7,116 Lakhs in the previous financial year.

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 statements relate and the date of this Report.

3. REBRANDING OF THE COMPANY

Your Company has refreshed its corporate identity after 55 years with a new logo and tagline 'India Khush Hua' after exhaustive research and understanding of emergent trends.

Your Company's new logo comprises a series of overlapping layers in rich Indian colours standing for Shemaroo's promise of offering an imaginative range of zesty Indian content to a diverse group of consumers and the multi-coloured dots signify bursts of energy. The shape of the design elements has been derived from the digital play button. The Company also announced 'India Khush Hua' as its new tagline, an emotion that emphatically states the joy we bring in people's life with our multi-genre offering. The new identity has received favourable response.

4. SUBSIDIARIES AND ASSOCIATE COMPANIES

During the year under review, the Company has incorporated Shemaroo Media & Entertainment LLC, a foreign wholly owned subsidiary company at New Jersey, United States with an object to expand Company's businesses in the North American region. It Primarily caters to the Indian diaspora audiences residing in the United States and North American region for Company's product and services and to expand business to the non-Indian diaspora by concentrating on genre like Kids, Health and Wellness.

As on March 31, 2019, the Company has 6 subsidiaries and 1 associate company. There has been no change in the nature of business of the subsidiaries / associate, during the year under review.

Pursuant to Section 129(3) of the Act, a statement in Form AOC- 1 containing the salient features of the financial positions of the subsidiaries / associate company forms part of this Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents, and separate audited accounts in respect of subsidiaries, are available on Company's website www.shemarooent.com under Investors section.

During the year ended March 31, 2019, the Company does not have any material subsidiary companies as defined in the SEBI Listing Regulations. The Policy for determining Material Subsidiaries of the Company is available on the Company's website at www.shemarooent.com under Investors section.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report is presented in a separate section, which forms part of this Report.

6. DIVIDEND

Your Directors recommend payment of Rs. 1.65 per fully paid-up equity share of Rs. 10 each (i.e. 16.50% of the paid-up equity share capital of Company) as final dividend for the financial year 2018-19, for approval of shareholders at the ensuing Annual General Meeting ("AGM").

The final dividend on equity shares, if approved by the shareholders would involve a cash outflow on account of Rs. 540.70 Lakhs including dividend distribution tax.

7. TRANSFER TO RESERVE

The Company proposes to retain the entire amount of Rs. 8,649 Lakhs in the profit and loss account.

8. PUBLIC DEPOSITS

During the Financial Year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

9. ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and administration) Rules, 2014, the extract of Annual Return in Form MGT 9 is enclosed as **Annexure 'A'** to the Board's Report.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year as required under Section 186 and any other provisions of the Act and Schedule V of the SEBI Listing Regulations are provided in Notes 5a & 8c of the Standalone Financial Statements.

11. CREDIT RATING

CARE continued to reaffirm and assigned their rating of "CARE A; Stable", for Long Term Bank Facilities of Rs. 280.70 Crore.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS

During the year under review, there were no significant or material orders passed by Regulators / Courts / Tribunals against the Company impacting its going concern status and operations in future.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Act, the Board of Directors to the best of their knowledge and ability confirm that:

1. in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the year ended March 31, 2019 and of the profit of the Company for that period;
3. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Annual Accounts for the year ended March 31, 2019 have been prepared on a going concern basis;
5. proper internal financial controls to be followed by the Company have been laid down and that such internal controls are adequate and were operating effectively; and

6. proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

14. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

a. Directors

During the year under review, Mr. Gnanesh D. Gala, Mr. Vasanthi A. Maman, Mr. Shashidhar Sinha and Mr. Kirit V. Gala, were re-appointed as Independent Non-Executive Directors of the Company through postal ballot declared on March 29, 2019, for the second term of 5 years w.e.f. May 26, 2019 upto May 25, 2024 and not liable to retire by rotation.

Dr. CA Reeta Shah (DIN:07141304) was appointed as an Independent Non-Executive Director of the Company for the first term of five years and will hold office upto March 27, 2020. Considering her knowledge, expertise and experience in her respective fields and the substantial contribution made by her during her tenure as an Independent Director since appointment, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Ms. Shah as Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from March 28, 2020 upto March 27, 2025 and not liable to retire by rotation.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 13, 2019 change the designation and appoint Mr. Jai Maroo, from Non-Executive Director to Executive Director of the Company for a period of 5 years with effect from May 13, 2019, liable to retire by rotation of Directors.

Mr. Raman Maroo (DIN: 00169152), Director on the Board, is liable to retire by rotation at the 14th Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment.

Re-appointment of Dr. CA Reeta Shah, Mr. Raman Maroo and Appointment of Mr. Jai Maroo are placed for your approval at the AGM. Your Directors recommend their appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI Listing Regulations.

b. Key Managerial Personnel

The Key Managerial Personnel of the Company as on date are:

- i. Mr. Raman Maroo – Managing Director
- ii. Mr. Atul Maru – Jt. Managing Director
- iii. Mr. Hiren Gada – CEO & CFO
- iv. Mr. Dipesh Gosar – Company Secretary & Compliance Officer
- v. Ms. Kranti Gada – Chief Operating Officer
- vi. Ms. Smita Maroo – Sr. VP - Animation, Kids Digital, L&M
- vii. Ms. Mansi Maroo – Co-producer - Film
- viii. Mr. Vinod Karani – EVP - Broadcast Syndication & Acquisition
- ix. Mr. Hemant Karani – Sr. VP - Studio
- x. Mr. Ketan Maru – Sr. VP - Film Production
- xi. Mr. Bipin Dharod – Sr. VP - Physical Sales & Distribution

c. Meetings of Board of Directors:

During the year under review, the Board met five times. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this report.

d. Audit Committee

The Audit Committee comprises of Four members. The Chairman of the Committee is an Independent Director. The Committee met four times during the year. The details pertaining to composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this Report.

e. Performance Evaluation of the Board

As per the provision of the Act and Regulation 17 of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and that of its Committees as well as performance of the Directors individually, was carried out internally. The performance evaluation of the Chairman was carried out by the Independent

Directors at a separate meeting of the Independent Directors.

Feedback was sought by way of a structured questionnaire, based on criteria approved by the Nomination and Remuneration Committee, for evaluation of performance of Board, Committees of Board and Individual Directors. The outcome of the evaluation was shared with the Nomination and Remuneration Committee, Board and the Directors expressed their satisfaction with the evaluation process.

f. Familiarisation Programme of Independent Directors

The Company undertook familiarization programme for familiarizing Director's with the Company's operations, update of laws and other relevant information which would enable them to take well informed decisions, discharge the responsibilities and functions conferred on them. Details of familiarization programme imparted are placed on Company's website at www.shemarooent.com under Investors section.

g. Policy on Appointment and Remuneration

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Nomination & Remuneration of Directors and Senior Management Employees on the recommendation of Nomination & Remuneration Committee. The main objective of the said policy is to identify person for appointing on the Board and at senior management level of the Company, level and composition of remuneration is reasonable and sufficient to attract, retain and motivate. The details of the Policy are given in the Corporate Governance Report.

15. AUDITORS AND AUDITORS REPORT

a. Statutory Auditors

M/s. M. K. Dandeker & Co., Chartered Accountants (ICAI Firm Registration No. 000679S), were appointed as Statutory Auditors for a term of 5 years at the 11th Annual General Meeting of the Company held on 26th September, 2016, subject to ratification of their appointment at every subsequent Annual General Meeting. Further, pursuant to the recent amendment to Section 139 of the Companies Act, 2013 effective May 7, 2018,

ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment

M/s. M. K. Dandeker & Co have expressed their willingness to continue as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Act and the rules framed thereunder. In terms of the SEBI Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Further, Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

b. Secretarial Auditors

The Company has appointed M/s. Manish Ghia & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is given as an annexure to this report.

The Secretarial Compliance Report for the financial year ended 31st March, 2019, in relation to compliance of all applicable SEBI Regulations / circulars / guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations was submitted to the Stock Exchange(s).

There are no qualifications or reservations or adverse remarks in the Secretarial Audit and Secretarial Compliance Report issued by them for the financial year 2018-19.

16. RELATED PARTY CONTRACTS OR ARRANGEMENTS

All Related Party Transactions executed in financial year 2018-19 were on arms' length basis and in the ordinary course of business. All related party transactions are placed before the Audit Committee for their prior approval and the details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. Accordingly, there are no transactions that are required to be reported in Form AOC 2. All related party transactions are mentioned in the notes to the accounts.

The policy on Related Party Transactions as approved by the Board is placed on the company's website at www.shemarooent.com under Investors section.

17. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The disclosure with respect to remuneration as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure 'B'** to the Board's Report.

The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, as per Section 136(1) of the Act, the Annual Report and Financial Statements are being sent to the shareholders of the Company excluding the aforesaid information. The said information is available for inspection by shareholders at the Registered Office of the Company during working hours for a period of 21 days before the ensuing Annual General Meeting and shall be made available to any shareholder on request.

18. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

The Company's Internal Control System are commensurate with nature of its business, size, scale and complexity of its operations. Internal auditing, of the Company, involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the processes. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls. It includes control processes both on manual and IT applications including the ERP application wherein the transactions are approved and recorded. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls.

The Company has also appointed M/s Gawande & Associates, Chartered Accountants, Internal Auditors of the Company. It formulates the audit plan, scope, functioning and methodology, which are reviewed every

year, in a manner that they cover all areas of operations. The Audit Committee periodically deliberates on the operations of the Company with the Members of the Management. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

19. RISK MANAGEMENT

The Company has in place a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and Regulation 17 of the SEBI Listing Regulations. The Company has a robust organisational structure for managing and reporting on risks.

The Senior management periodically reviews the risk management framework to keep updated and address emerging challenges. Risk assessment and management procedures and status are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

In terms of Regulation 21 of the SEBI Listing Regulations, the Constitution of Risk Management Committee was not applicable during the financial year 2018-2019.

20. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Act and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy provides formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual / suspected fraud or wrongful conduct within the Company. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The details of the Whistle Blower Policy are available on the website of the Company at www.shemarooent.com under Investors section.

21. TRANSFER OF UNCLAIMED DIVIDEND / SHARE APPLICATION MONEY DUE FOR REFUND TO IEPF

Pursuant to applicable provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed

dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

Shareholders who have not claimed their dividend warrants or share application money due for refund are requested to immediately send their request for issue of duplicate warrants.

The details of unclaimed dividend / application money as on March 31, 2019 are as follows:

Sr. No.	Particular	Date of declaration	Due date for transfer to IEPF
1.	Unclaimed Final Dividend for FY 2017-2018	11.09.2018	17.10.2025
2.	Unclaimed Final Dividend for FY 2016-2017	27.09.2017	02.11.2024
3.	Unclaimed Final Dividend for FY 2015-2016	26.09.2016	01.11.2023
4.	Unclaimed Final Dividend for FY 2014-2015	21.09.2015	28.10.2022
5.	Unclaimed Application Money	27.09.2014	27.09.2021

The Company has placed on its website www.shemarooent.com, the information on dividends and application money which remain unclaimed with the Company. The information is also available on the website of the Ministry of Corporate Affairs i.e. www.mca.gov.in.

22. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

23. CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated under SEBI Listing Regulations. The Report on Corporate Governance, alongwith Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the SEBI Listing Regulations is annexed and forms part of this Report.

24. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

25. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information relating to the Conservation of Energy and Technology Absorption required under Rule 8(3)(A) and 8(3)(B) of Companies (Accounts) Rules, 2014 are not applicable to the Company due to the very nature of the industry in which it operates. However we endeavour to support the environment by adopting environment friendly practices in our office premises.

In view of the nature of activities which are being carried on by the Company, the information in connection with technology absorption is Nil.

The particulars regarding foreign exchange earnings and outgo during the year are given in Note 27.2 of the Standalone Financial Statements forming part of this Report.

26. HUMAN RESOURCES

At Shemaroo, we consider our employees as the most valuable resource and ensure strategic alignment of Human Resource practices to business priorities and objectives. The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. Attracting, developing and retaining the right talent will continue to be a key strategic imperative and the organization continues its undivided attention towards that.

Your Company has well laid down, objective and transparent processes for Recruitment, Selection, Performance Management and Talent Management. To maintain its competitive edge in a highly dynamic industry, it recognizes the importance of having a work force which is consumer-focused, performance-driven and future-capable. The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development.

The total employee strength at the end of financial year 2018-19 is 591.

27. SEXUAL HARASSMENT

The Company has in place policy for the prevention of sexual harassment at workplaces in line with the

requirements of the Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder and conducted sessions for employees across the organization to sensitise employees and build awareness on Prevention of Sexual Harassment at work place. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review no complaints were received in regards to sexual harassment.

28. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The role of the committee is to review the CSR Policy, indicate activities to be undertaken by the Company towards CSR and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR.

A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2018-19 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **Annexure 'C'** to the Report.

The CSR policy is available on our website at www.shemarooent.com under Investors section.

29. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections,

estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations includes but not limited to changes in exchange rate fluctuations, tax laws, litigation, labour relations, interest costs, political and economic environment.

30. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation for the support and co-operation extended by the shareholders, customers, bankers, financial institutions, government authorities and other business associates.

The Board of Directors also gratefully acknowledge the exemplary contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth. The Board of Directors would also like to thank all stakeholders for the continued confidence and trust placed by them with the Company. We look forward to continued support of all these partners in progress.

For and on behalf of the Board of Directors

Raman Maroo	Atul Maru
Managing Director	Jt. Managing Director
DIN: 00169152	DIN: 00169264

Mumbai
May 13, 2019

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2019

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

I REGISTRATION & OTHER DETAILS

i CIN	L67190MH2005PLC158288
ii Registration Date	December 23, 2005
iii Name of the Company	Shemaroo Entertainment Limited
iv Category/Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
v Address of the Registered office & contact details	Shemaroo House, Plot No. 18, Marol Co-op Industrial Estate, Andheri Kurla Road, Andheri (E), Mumbai – 400 059 Tel no.: +91-22- 40319911; Fax: +91-22-40319794
vi Whether listed company	Yes
vii Name, Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Pvt. Ltd. Unit: Shemaroo Entertainment Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083. Tel No.:- 022- 49186000; Fax: 022 - 49186060

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Motion picture, video and television programme distribution activities	5913	98.93%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Canopy Entertainment Private Limited (Formerly known as Shemaroo Films Private Limited) B-301, Boolani Estate, Link Road, Andheri (West), Mumbai - 400 053	U22130MH2012PTC237345	Subsidiary	100	2(87)(ii)
2	Shemaroo Entertainment (UK) Private Limited 3rd Floor, Patemoster House, 65, St Pauls's Churchyard, London – EC4M 8AB, United Kingdom	NA	Subsidiary	100	2(87)(ii)
3	Shemaroo Entertainment Inc. 29 Meadow Bluff Road, Morris Plains, NJ -07950	NA	Subsidiary	100	2(87)(ii)
4	Shemaroo Media & Entertainment LLC 50, Harrison Street, PH 401, Hoboken, New Jersey 07030	NA	Subsidiary	100	2 (87) (ii)
5	Vistaas Digital Media Private Limited A1/502, Yogi Palace, Yogi Nagar, Borivali (West), Mumbai - 400 0 91	U64203MH2009PTC195876	Associate	50	2(6)
6	Contentino Media LLP Shemaroo House, Plot No. 18, Marol Co-Op. Industrial Estate, Off Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	AAE-6434	Subsidiary	65	2(87)(ii)
7	Shemaroo Think Tank Entertainment LLP Shemaroo House, Plot No. 18, Marol Co-Op. Industrial Estate, Off Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	AAE-9053	Subsidiary	99.99	2(87)(ii)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise shareholding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
(a)	Individual/HUF	16069080	0	16069080	59.12	16069080	0	16069080	59.12	0.00
(b)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (1)	16069080	0	16069080	59.12	16069080	0	16069080	59.12	0.00
(2)	Foreign									
(a)	Individuals (NRI / Others)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporates	1822840	0	1822840	6.71	1822840	0	1822840	6.71	0.00
(c)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (2)	1822840	0	1822840	6.71	1822840	0	1822840	6.71	0.00
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	17891920	0	17891920	65.82	17891920	0	17891920	65.82	0.00
B	PUBLIC SHAREHOLDING									
(1)	Institutions									
(a)	Mutual Funds	195000	0	195000	0.72	0	0	0	0.00	-0.72
(b)	Banks / Financial Institutions	4839	0	4839	0.02	4367	0	4367	0.02	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	52416	0	52416	0.19	0.19
(d)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Portfolio Investor	4310293	0	4310293	15.86	5003641	0	5003641	18.41	2.55
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1):	4510132	0	4510132	16.59	5060424	0	5060424	18.62	2.02
(2)	Non Institutions									
(a)	Bodies corporates	1075146	0	1075146	3.96	946526	0	946526	3.48	-0.47
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakhs	1586505	1	1586506	5.84	1703131	1	1703132	6.27	0.43
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1648530	0	1648530	6.06	1058306	50636	1108942	4.08	-1.99
(c)	Others (specify)									
(i)	Directors / Relative	50636	0	50636	0.19	50636	0	50636	0.19	0.00
(ii)	Trusts	6233	0	6233	0.02	0	0	0	0.00	-0.02
(iii)	Hindu Undivided Family	89717	0	89717	0.33	76549	0	76549	0.28	-0.05
(iv)	Clearing Member	20708	0	20708	0.08	23413	0	23413	0.09	0.01
(v)	Office Bearers	14943	0	14943	0.05	12202	0	12202	0.04	-0.01
(vi)	Non Resident Indians	237132	50636	287768	1.06	308495	0	308495	1.13	0.08
	SUB TOTAL (B)(2):	4729550	50637	4780187	17.59	4179258	50637	4229895	15.56	-2.02
	Total Public Shareholding (B)= (B)(1)+(B)(2)	9239682	50637	9290319	34.18	9239682	50637	9290319	34.18	0.00
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	27131602	50637	27182239	100.00	27131602	50637	27182239	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS (including Promoter Group)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year- 01.04.2018			Shareholding at the end of the year - 31.03.2019			% 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	Buddhichand Maroo	3575320	13.15	0	3575320	13.15	0	0.00
2	Raman Maroo	4809520	17.69	0	4809520	17.69	0	0.00
3	Atul Maru	4809520	17.69	0	4809520	17.69	0	0.00
4	Hiren Gada	1093680	4.03	0	1093680	4.03	0	0.00
5	Jai Maroo	1234200	4.54	0	1234200	4.54	0	0.00
6	Technology and Media Group Pte Limited	1822840	6.71	0	1822840	6.71	0	0.00
7	Kranti Gada Arambhan	546840	2.01	0	546840	2.01	0	0.00
	Total	17891920	65.82%	0	17891920	65.82%	0	0.00

(iii) CHANGE IN PROMOTERS' (including Promoter Group) SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2018		Date wise Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding at the end of the year - 31.03.2019	
		No of shares	% of total shares of the company			No of shares	% of total shares of the company
1	Buddhichand Maroo	3575320	13.15	01/04/2018		3575320	13.15
				31/03/2019		3575320	13.15
2	Raman Maroo	4809520	17.69	01/04/2018		4809520	17.69
				31/03/2019		4809520	17.69
3	Atul Maru	4809520	17.69	01/04/2018		4809520	17.69
				31/03/2019		4809520	17.69
4	Hiren Gada	1093680	4.03	01/04/2018		1093680	4.03
				31/03/2019		1093680	4.03
5	Jai Maroo	1234200	4.54	01/04/2018		1234200	4.54
				31/03/2019		1234200	4.54
6	Technology and Media Group Pte Ltd	1822840	6.71	01/04/2018		1822840	6.71
				31/03/2019		1822840	6.71
7	Kranti Gada Arambhan	546840	2.01	01/04/2018		546840	2.01
				31/03/2019		546840	2.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2018		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2019	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	NEW HORIZON OPPORTUNITIES MASTER FUND	2614000	9.62	01/04/2018			2614000	9.62
				31/03/2019			2614000	9.62
2	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	919019	3.38	01/04/2018			919019	3.38
				25/05/2018	44620	Purchase	963639	3.55
				01/06/2018	8047	Purchase	971686	3.57
				08/06/2018	6888	Purchase	978574	3.60
				15/06/2018	2374	Purchase	980948	3.61
				22/06/2018	5195	Purchase	986143	3.63
				30/06/2018	17089	Purchase	1003232	3.69
				26/10/2018	109260	Purchase	1124492	4.09
				09/11/2018	148916	Purchase	1261408	4.64
				08/02/2019	1744	Purchase	1263152	4.65
				15/02/2019	3149	Purchase	1266301	4.66
				22/02/2019	6917	Purchase	1273218	4.68
3	FIDELITY ASIAN VALUES PLC	385453	1.42	01/04/2018			385453	1.42
				25/05/2018	24781	Purchase	410234	1.51
				01/06/2018	4378	Purchase	414612	1.53
				08/06/2018	4331	Purchase	418943	1.54
				15/06/2018	1518	Purchase	420461	1.55
				22/06/2018	4008	Purchase	424469	1.56
				30/06/2018	9066	Purchase	433535	1.59
				26/10/2018	53938	Purchase	487473	1.79
				09/11/2018	65176	Purchase	552649	2.03
				31/03/2019			552649	2.03
4	TATA INVESTMENT CORPORATION LIMITED	375000	1.38	01/04/2018			375000	1.38
				31/03/2019			375000	1.38
5	KITARA INDIA MICRO CAP GROWTH FUND	313384	1.15	01/04/2018			313384	1.15
				15/02/2019	(5000)	Sale	308384	1.13
				22/02/2019	(12000)	Sale	296384	1.09
6	SNEHAL BHUPENDRA SHAH	195000	0.72	01/04/2018			195000	0.72
				02/11/2018	(17000)	Sale	178000	0.65
				31/03/2019			178000	0.65
				01/04/2018			178000	0.65
7	NEW HORIZON WEALTH MANAGEMENT PVT. LTD	160000	0.59	01/04/2018			160000	0.59
				31/03/2019			160000	0.59
8	KAPITALFORENINGEN INSTITUTIONEL INVESTOR, ASIATISKE SMID CAP AKTIER	0	0.00	01/04/2018			0	0.00
				08/02/2019	140612	Purchase	140612	0.52
				15/02/2019	1040	Purchase	141652	0.52
				22/02/2019	2108	Purchase	143760	0.53
9	MADHAV BHATKULY	135800	0.50	01/04/2018			135800	0.50
				31/03/2019			135800	0.50
				01/04/2018			135800	0.50
10	CHETNA KETAN MARU	80000	0.29	01/04/2018			80000	0.29
				31/03/2019			80000	0.29

Note: Top ten shareholders of the Company as on March 31, 2019 has been considered for the above disclosure.

(v) Shareholding of Directors & KMP

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding at the end of the year	
		No of shares	% of total shares of the company			No of shares	% of total shares of the company
1	BUDDHICHAND MAROO	3575320	13.51	01/04/2018		3575320	13.51
				31/03/2019		3575320	13.51
2	RAMAN MAROO	4809520	17.69	01/04/2018		4809520	17.69
				31/03/2019		4809520	17.69
3	ATUL MARU	4809520	17.69	01/04/2018		4809520	17.69
				31/03/2019		4809520	17.69
4	HIREN GADA	1093680	4.03	01/04/2018		1093680	4.03
				31/03/2019		1093680	4.03
5	JAI MAROO	1234200	4.54	01/04/2018		1234200	4.54
				31/03/2019		1234200	4.54
6	KRANTI GADA ARAMBHAN	546840	2.01	01/04/2018		546840	2.01
				31/03/2019		546840	2.01
7	VASANJI MAMANIA	50636	0.18	01/04/2018		50636	0.18
				31/03/2019		50636	0.18
8	VINOD KARANI	12039	0.04	01/04/2018		12039	0.04
				31/03/2019		12039	0.04
9	KETAN MARU	20	0.00	01/04/2018		20	0.00
				31/03/2019		20	0.00
10	HEMANT KARANI	140	0.00	01/04/2018		140	0.00
				31/03/2019		140	0.00
12	DIPESH GOSAR	3	0.00	01/04/2018		3	0.00
				31/03/2019		3	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2018)				
i) Principal Amount	12,859.45	7,232.37	-	20,091.82
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	20.02	-	-	20.02
Total (i+ii+iii)	12,879.47	7,232.37	-	20,111.84
Change in Indebtedness during the financial year				
Additions	1,291.90	3,119.41	-	4,411.31
Reduction	1,338.81	2,972.61	-	4,311.42
Net Change	(46.92)	146.80	-	99.89
Indebtedness at the end of the financial year (As on 31.03.2019)				
i) Principal Amount	12,832.55	7,379.17	-	20,211.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,832.55	7,379.17	-	20,211.73

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(Rs in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Raman Maroo MD	Atul Maru JT.MD	Hiren Gada CEO & CFO	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	52.28	52.28	52.28	156.85
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.40	0.40	0.40	1.19
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others	0.22	0.22	0.22	0.65
	TOTAL (A)	52.90	52.90	52.90	158.69
	Ceiling as per Section 198 of the Companies Act, 2013	Rs. 1334.86 Lakhs (being 10% of Net Profits of the Company)			

B. Remuneration to other directors:

(Rs in Lakhs)

Sr. No.	Particulars of Remuneration	Fee for attending board meetings	Commission	Others	Total Amount
	Gnanesh Gala \$	-	-	-	-
	Kirit Gala \$	-	-	-	-
	Reeta Shah	1.00	-	-	1.00
	Shashidhar Sinha	0.40	-	-	0.40
	Vasanji Mamanian	1.00	-	-	1.00
	Total (1)	2.40	-	-	2.40
2	Other Non Executive Directors				
	Buddhichand Maroo	1.00	-	-	1.00
	Jai Maroo	1.00	-	-	1.00
	Total (2)	2.00	-	-	2.00
	Total (B)=(1+2)	4.40	-	-	4.40
	Ceiling as per Section 198 of the Companies Act, 2013	Rs.133.49 Lakhs (being 1% of Net Profits of the Company)			

\$ No sitting fees was paid to Mr. Gnanesh Gala and Mr. Kirit Gala, who have decided not to accept any sitting fees for attending meetings of the Board.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel								Total
		Hemant Karani	Vinod Karani	Ketan Maru	Bipin Dharod	Dipesh Gosar	Smita Maroo	Kranti Gada	Mansi Maroo	
1	Gross Salary									
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	53.83	148.19	37.13	31.23	13.28	39.06	35.16	17.47	375.36
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.48	0.40	0.40	-	0.40	-	0.40	2.46
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-	-	-
5	Others	1.17	2.81	0.87	0.77	0.48	0.94	0.84	0.53	8.40
	Total	55.40	151.48	38.40	32.40	13.75	40.40	36.00	18.40	386.22

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

A. Ratio of remuneration of each Director to the median remuneration of all the employees and Details of percentage increase in the remuneration of each Director and CFO & Company Secretary for the financial year 2018-19 is as follows:

(Rs. in Lakhs)

Sr. No.	Name	Total Remuneration for financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Buddhichand Maroo* Chairman & Non-Executive Director	-	-	-
2.	Raman Maroo Managing Director	52.90	2.28	10.58
3.	Atul Maru Joint Managing Director	52.90	2.28	10.58
4.	Hiren Gada Chief Executive Officer & Chief Financial Officer	52.90	4.47	10.58
5.	Jai Maroo* Non-Executive Director	-	-	-
6.	Gnanesh Gala* Independent Director	-	-	-
7.	Kirit Gala* Independent Director	-	-	-
8.	Vasanji Mamanian* Independent Director	-	-	-
9.	Shashidhar Sinha* Independent Director	-	-	-
10.	Reeta Shah* Independent Director	-	-	-
11.	Dipesh Gosar Company Secretary & Compliance Officer	13.75	0.34	2.75

* The Non-Executive Directors of the Company are entitled to sitting fee and commission, if any, as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report.

- B.** The median remuneration of employees of the Company during the financial year was Rs. 5,00,043
- C.** The percentage increase in the median remuneration of Employees for the financial year was 14.69%.
- D.** There were 591 permanent employees on the rolls of Company as on March 31, 2019.
- E.** Average percentile increase in the salaries of employees other than Managerial Personnel was 18.24% whereas the increase in the Managerial Remuneration was 25.82%. Average Remuneration increase is dependent on the Company's performance as a whole, individual performance level and also market benchmarks.
- F.** It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR THE FINANCIAL YEAR 2018-2019

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company has a CSR policy in place which endorses the idea of improving quality of lives of people in the communities in which it operates, as it believes that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies.</p> <p>The thrust areas of the Company's CSR activities are as under:</p> <ol style="list-style-type: none"> 1. Livelihood security and enhancement 2. Education 3. Healthcare and Social welfare 4. Arts/Sports and culture <p>The above areas are mapped with the activities as prescribed in Schedule VII of the Companies Act, 2013 in the Annexure.</p> <p>The policy elucidates the responsibilities of the Board & CSR Committee and implementation & monitoring process towards achieving the Company's CSR goals. The CSR Policy of the Company has been uploaded on the website of the Company at www.shemarooent.com</p>
2	The Composition of the CSR Committee	<ol style="list-style-type: none"> 1. Mr. Atul Maru (Chairman and Jt. Managing Director) 2. Mr. Hiren Gada (Member and CEO & CFO) 3. Mr. Vasniji Mamania (Member and Independent Director)
3	Average net profit of the company for last three financial years	Rs 9608.64 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 192.17 Lakhs
5	Details of CSR spent during the financial year: A. Total amount spent for the F.Y. B. Amount unspent, if any; C. Manner in which the amount spent during the financial year	Rs 193.98 Lakhs - Attached
6	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of your Company.

Raman Maroo
Managing Director
DIN: 00169152

Atul Maru
Chairman, CSR Committee & Jt. Managing Director
DIN: 00169264

Place: Mumbai
 Date: May 13, 2019

C Manner in which the amount spent during the financial year

(Rs in Lakhs)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local Area or other 2. Specify the state where project was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through implementing agency*
1	School Support Programs like providing benches & desks, potable water facility, providing scholarships, vocational training, and promoting education to girl child & also to differently abled.	Improving & Promoting Quality Education	Mumbai (Maharashtra), Mandavi, Bhuj (Kutch), Coimbatore (Tamil Nadu), Ahmedabad (Gujarat)	78.58	78.58	78.58	Indirect
2	Health awareness camp - for organising Blood Donation camp, health check-up for poor people, providing free medicines, drinking water supply, supplementing efforts of hospitals through a range of patient welfare services, infrastructure support for cancer diagnosis, aiding medical research & construction of sanitary facilities viz., toilets, etc.	Health care, Hygiene & Medical Facilities	Mumbai, Nasik (Maharashtra), Mandavi (Kutch),	2.50	2.50	2.50	Indirect
3	Promoting gender equality, empowering women, support to old age homes, orphanages, addressing poverty, hunger and malnutrition, support to rural cultural programmes, Festivals & Melas.	Rural Transformation & Protection of natural heritage, art & culture, drought relief	Mumbai (Maharashtra), Mandavi, Bhuj (Kutch), Ahmedabad (Gujarat), Ajmer (Rajasthan), Tamilnadu	112.90	112.90	112.90	Indirect

*** Details of implementing agency:**

1. Isha Foundation, 2. K V O Mitra Mandal; 3. Kutch Yuvak Sangh; 4. Smt. Kamla Mehta Dadar School For The Blind; 5. Sri Lakshmi Narasimha Jayanti Bhagavata Mela Natya N. Sangam; 6. Tai Foundation; 7. Matushri Prabhavti Gangji Shamji Chheda Charitable Trust; 8. United Way of Mumbai; 9. All India Social Educational Charitable Trust; 10. Banni Sindhu Seva Sangh; 11. Shri Sudharm Gyan Sthankwashi Sangh; 12. Shri Kutch Halapur Dushkal Rahat Samiti; 13. Chishty Foundation-Ajmer Sharif; 14. Raginiben Bipinchandra Seva Karya Trust; 15. Shri Vagad Sarvodaya Trust; 16. Vardhman Sanskar Dham; 17. Vivekgram.

Corporate Governance Report

1. Company's philosophy on code of governance

Effective Corporate Governance practice is about commitment to values, ethical business conduct and constitutes strong fundamentals on which a successful commercial enterprise is built to last.

The Corporate philosophy of Shemaroo is to promote corporate fairness, transparency and accountability with the objective of maximizing long term value for all stakeholders.

Shemaroo has a strong legacy of fair, transparent and ethical governance practices and we adhere to the fact that the Corporate Governance norms are dynamic in nature and that the Company constantly endeavors to improve on these aspects.

At Shemaroo, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers.

The Principles of Corporate Governance at Shemaroo are based on the following:

- Ensuring the constitution of Board of Directors at all times represents an appropriate mix of executive, non-executive and independent directors, and of optimum size, with diversified experience.
- Constitution of Committees of the Board of Directors, like, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Executive Committee, in compliance with the provisions of the applicable laws, as amended, to enable the Board of Directors to discharge their functions effectively.
- Adoption and adherence to the adopted code of conduct by all related parties for a good Corporate Governance.
- Proactive compliance with all applicable Rules and Regulations, as amended.
- Dissemination of all material information concerning the Company to the stakeholders of the Company in a timely manner.

- A comprehensive and robust system of risk management and internal control.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

2. Board of Directors

As on March 31, 2019, the Company has a balanced Board of Director's, which primarily takes care of the business needs and stakeholder's interest. The Executive and Non-Executive Directors including Independent Directors on the Board are competent and experienced from various fields. They actively participate at the Board and Committee meetings and provide valuable guidance to the management on various aspects relating to business decisions.

The Composition of the Board complies with the provisions of the Companies Act, 2013 (the Act) and Regulation 17 of SEBI Listing Regulations. The total Board strength comprises of 10 (Ten) Directors, out of which 3 (three) are Executive Directors (30% of the Board strength), 2 (Two) are Non-Executive Directors (20% of the Board strength) and 5 (Five) are Independent Non-Executive Directors (50% of the Board strength) including 1 (One) Women Independent Director.

Except, Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru being brothers and Mr. Jai Maroo being son of Mr. Buddhichand Maroo, none of the other Directors are related to any other Director on the Board.

None of the Directors including the Independent Directors of the Company have resigned during the FY 2018-19.

During the financial year, the Board of the Company met 5 (five) times i.e. on April 11, 2018; May 15, 2018; July 26, 2018; October 30, 2018; and January 30, 2019. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

None of the Directors on the Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees, across Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

The Board's composition, attendance and their directorship / committee membership, chairmanship in other Companies as on March 31, 2019 is given below:

Sr. No.	Name, Designation, DIN	Category	Attendance at Board meeting	Attendance at last AGM held on September 11, 2018	No. of other Directorships and Committee memberships/Chairmanships held		
					Other Directorships #	Chairmanships@	Memberships of Committees@
1.	Mr. Raman Maroo, Managing Director (DIN:00169152)	Promoter Executive Director	5/5	YES	1	NIL	1
2.	Mr. Atul Maru, Jt. Managing Director (DIN : 00169264)	Promoter Executive Director	5/5	YES	NIL	NIL	1
3.	Mr. Hiren Gada, CEO & CFO (DIN:01108194)	Promoter Executive Director	5/5	YES	NIL	NIL	1
4.	Mr. Buddhichand Maroo, Chairman (DIN:00169319)	Promoter Non-Executive Director	5/5	NO	NIL	NIL	NIL
5.	Mr. Jai Maroo, Non-Executive Director (DIN:00169399)	Promoter Non-Executive Director	5/5	YES	NIL	NIL	NIL
6.	Mr. Gnanesh Gala, Independent Director (DIN: 00093008)	Non-Executive Director	5/5	YES	1	1	1
7.	Mr. Shashidhar Sinha, Independent Director (DIN:00953796)	Non-Executive Director	2/5	NO	2	NIL	2
8.	Mr. VasANJI Mamania, Independent Director (DIN:00013071)	Non-Executive Director	5/5	NO	NIL	NIL	1
9.	Mr. Kirit Gala, Independent Director (DIN:01540274)	Non-Executive Director	4/5	YES	NIL	NIL	1
10.	Dr. CA Reeta Shah, Independent Director (DIN:07141304)	Non-Executive Director	5/5	YES	NIL	1	NIL

#Excludes directorship in Shemaroo Entertainment Limited and also excludes Alternate directorships, directorship in Private Limited Companies, Foreign Companies and Companies registered under Sec.8 of the Act.

@As per Regulation 26(1)(b) of SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

a. Name of other Listed Entities in which the Directors are the Directors and the Category of Directorship:

Sr. No.	Name of Director	Other Listed Entity in which he/ she is a Director	Category of Directorship
1.	Mr. Raman Maroo	Talwalkars Better Value Fitness Limited	Independent Director
2.	Mr. Gnanesh Gala	Navneet Education Limited	Managing Director
3.	Mr. Shashidhar Sinha	Jagran Prakashan Limited	Independent Director

b. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2019:

Name of the Director(s)	Shares Held (Nos.)
Mr. Buddhichand Maroo	35,75,320
Mr. Jai Maroo	12,34,200
Mr. VasANJI Mamania	50,636

c. Requirement of Core Skills/Expertise/Competence for the Board of Directors as Identified for Entertainment Business

The following is the list of core skills/ expertise/ competencies identified by the Board members as required in the perspective of the growth of business and that the said skills are available with the Board of Directors:

Sr. No.	Area of Core skills/Expertise/Competence
1.	Business Strategic Expertise, Administration and Decision making
2.	Marketing and Advertisement
3.	Information Technology
4.	Financial and Management skills, Accountancy and Audit
5.	Legal
6.	Human Resource Management
7.	Risk Management

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

d. Board Independence:

All Independent Directors of the Company have been appointed as per the provisions of the Act. The maximum tenure of independent directors is in compliance with the Act. Formal letters of appointment have been issued to the Independent Directors.

Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Act and Regulation 16(1)(b) SEBI Listing Regulations. The Code for Independent Directors is available on Company's website at www.shemarooent.com

e. Board Procedure:

The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule. The Board Meetings of the Company are conducted as per well designed and structured agenda. All the agenda items, are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting), are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries, if any, for the information of the Board. During the financial year, the minimum information as mentioned in Part A of Schedule II of SEBI Listing Regulations were placed before the Board for its consideration. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification / approval.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

After the Board meeting, Company has a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and subcommittees of the Board. Action-taken report on decisions taken in a meeting is placed at the succeeding meeting of the Board / Committee for noting.

f. Separate Independent Directors' Meetings:

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on April 10, 2018, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the Meeting, the Independent Director reviewed and evaluated the performance of the Chairman, Managing Director and other Non-Independent Directors, the Board and flow of information between the management and the Board.

g. Familiarization programmes:

The Company familiarizes its Independent Directors 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., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives and amendment in law to update the Directors on a continuing basis.

The Company's Policy of conducting the Familiarisation Programme and the details of Familiarisation Programmes imparted to Independent Directors are disclosed on the Company's website at www.shemarooent.com

h. Board Evaluation

Details of methodology adopted for Board evaluation have been provided in the Board's Report.

3. COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The Board Committees can request special invitees to join the meeting, as appropriate. The composition of various Committees of the Board of Directors is available on the website of the Company at www.shemarooent.com

The Board has currently established the following statutory and non-statutory Committees:

- A. Audit Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders' Relationship Committee;
- D. Corporate Social Responsibility (CSR) Committee; and
- E. Executive Committee

A. Audit Committee:

i. Composition and Attendance at the Meeting

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by Section 177 of the Act read with Regulation 18 of the SEBI Listing Regulations. The members of the Audit Committee possess financial / accounting expertise / exposure.

The Audit Committee was re-constituted by the Board at its meeting held on October 30, 2018. The Audit Committee met 4 (four) times during the year under review. The Committee Meetings were held on the following dates May 15, 2018; July 26, 2018; October 30, 2018 and January 30, 2019.

The Composition and attendance at the Meetings was as under:

Sr. No.	Name of the Member	Designation	Category	No. of meetings	
				Held during their tenure	Attended
1.	Mr. Gnanesh Gala	Chairman	Independent Director	4	4
2.	Mr. Kirit Gala	Member	Independent Director	4	3
3.	Mr. Hiren Gada	Member	Executive Director	4	4
4.	Mr. VasANJI Mamania	Member	Independent Director	4	2
5.	Dr. CA Reeta Shah*	Member	Independent Director	3	0

*Resigned as a member in Audit Committee w.e.f. October 30, 2018.

Mr. Gnanesh Gala, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 11, 2018.

ii. General

The representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. Executives of Accounts Department, Finance Department, and representatives of internal auditors attend Audit Committee Meetings. The Company Secretary of the Company acts as the secretary to the Audit Committee.

iii. Powers of Audit Committee

- To investigate any activity within its term of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

iv. Role of the Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and approval for payment of any other services
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Calling for comments of the auditors about internal control systems, scope of audit (including observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and/or statutory auditors and management of the company.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism / Vigil Mechanism.
- 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 and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.
- Reviewing the following information:
 1. The Management, Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by the management;
 3. Management Letters/Letters of internal control weaknesses issued by statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to the review by the Audit Committee.
 6. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of SEBI Listing Regulation 32(7).
 7. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

B. Nomination and Remuneration Committee

i. Composition and Attendance at the Meeting

The Committee's constitution and terms of reference are in compliance with the provision of Section 178 of the Act, read with Regulation 19 of the SEBI Listing Regulations.

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee met 2(Two) times during the year under review. The Committee Meetings were held on the following dates May 15, 2018 and January 30, 2019. The attendance of the members was as under:-

Sr. No.	Name of the Member	Designation	Category	No. of meetings	
				Held during their tenure	Attended
1.	Mr. VasANJI MamanIA	Chairman	Independent Director	2	2
2.	Mr. Shashidhar Sinha	Member	Independent Director	2	1
3.	Mr. Jai Maroo	Member	Non-Executive Director	2	2

Mr. VasANJI MamanIA, Chairman of the Nomination & Remuneration Committee had authorised Mr. Jai Maroo, Non-Executive Director and member of Nomination & Remuneration Committee to attend the last Annual General Meeting of the Company held on September 11, 2018, on his behalf due to his pre-occupations.

The Company Secretary of the Company acts as the Secretary of the Nomination & Remuneration Committee.

Terms of Reference of the Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Committee, while formulating such policy shall ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
 - d. Formulation of criteria for evaluation of Independent Directors and the Board;
2. Devising a policy on Board diversity;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
4. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.
7. such other matters as may from time to time required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

ii. Nomination & Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy in accordance with the provisions of Section 178 of the Act, read with Regulation 19(4) – Part D of Schedule II of the SEBI Listing Regulations.

- **Board Membership Criteria**

The Nomination & Remuneration Committee has laid down criteria for identifying persons who are qualified to become directors on the Board. The Board has delegated the screening and selection process involved in selecting new directors to the nomination and remuneration committee. The nomination and remuneration committee in turn makes recommendations to the Board on the induction of any new directors.

The criteria for appointment to the Board include:

- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business;
- desired age and diversity on the Board.

The Board has also adopted a policy on Board Diversity pursuant to the provisions of SEBI Listing Regulations.

- Performance Evaluation**

The Committee makes recommendations to the Board on appropriate performance criteria for the directors. Formulate the criteria and framework for evaluation of performance of every director on the Board of the Company.

- Remuneration framework**

The Committee is responsible for reviewing and making recommendations to the Board on remuneration to Managing Director / Whole time Director / Non – Executive Director / Independent Director and Senior Management Personnel. It is designed to create a high performance culture which enables to attract, retain and encourage employees to achieve results.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Directors and Senior Management Personnel. Annual increments are decided by the nomination and remuneration committee within the salary limit approved by the Company or the members, as may be required. The committee decides on the commission payable to Executive Director/ Non-Executive Director / Independent Director out of the profits for the financial year and within the ceilings prescribed under the Act based.

iii. Details of Remuneration

The details of remuneration paid to Executive Directors and to Non-Executive Directors for the Financial Year ended March 31, 2019 is provided hereinafter:

Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2019:

(Rs. in lakhs)

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	TOTAL
Mr. Raman Maroo	52.28	Nil	Nil	0.62	52.90
Mr. Atul Maru	52.28	Nil	Nil	0.62	52.90
Mr. Hiren Gada	52.28	Nil	Nil	0.62	52.90

Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2019:

(Amount in Rs.)

Name of Director	Sitting Fees for attending Board Meeting
Mr. Buddhichand Maroo	1,00,000
Mr. Jai Maroo	1,00,000
Mr. VasANJI MamanIa	1,00,000
Mr. Gnanesh Gala *	Nil
Mr. Kirit Gala*	Nil
Mr. Shashidhar Sinha	40,000
Dr. CA Reeta Shah	100,000
TOTAL	4,40,000

Note:

- No commission was paid to the Non-Executive Directors during the financial year ended on March 31, 2019.
- *No sitting fees was paid to Mr. Gnanesh Gala and Mr. Kirit Gala, Independent Directors, who have decided not to accept any sitting fees for attending meetings of the Board.
- Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non-executive Directors.
- No Severance Fee is payable and no stock option has been given.

C. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is primarily responsible to review all matters connected to the Company's transfer of securities, satisfactory redressal of shareholders' / investors' / security holders' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders Relationship Committee composition and the terms of reference meet the requirements of Regulation 20 of the SEBI Listing Regulations and provisions Section 178 (5) of the Act.

i. Composition and Attendance at the Meeting

The Stakeholders Relationship Committee comprises of the members as stated below. The Committee met 4 (four) times during the year under review. The Committee Meetings were held on the following dates May 15, 2018; July 26, 2018; October 30, 2018 and January 30, 2019.

The attendance at the Meeting was as under:

Sr. No.	Name of the Member	Designation	Category	No. of meetings	
				Held during their tenure	Attended
1.	Dr. CA Reeta Shah	Chairperson	Independent Director	4	4
2.	Mr. Shashidhar Sinha	Member	Independent Director	4	2
3.	Mr. Atul Maru	Member	Executive Director	4	4

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 11, 2018.

The Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

ii. Compliance Officer

Mr. Dipesh U. Gosar, Company Secretary and Compliance Officer, is appointed as the Compliance Officer to resolve the complaints of Shareholders/Investors.

iii. The role of Stakeholders' Relationship Committee is as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment.

iv. Investor Grievance Redressal

All complaints have been redressed to the satisfaction of the shareholders. The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

Type of Complaints	Number of Complaints
Non - receipt of Annual Reports	0
Non- receipt of Dividend Warrants	0
Non-Receipt of Shares lodged for Transfer	NIL
Non - receipt of IPO application money	0
TOTAL	0

As on March 31, 2019, no complaints were outstanding.

D. Corporate Social Responsibility Committee (CSR):

i. Composition and Attendance at the Meeting

The Company has constituted a CSR Committee as required under Section 135 of the Act. The CSR Committee comprises of the members as stated below. The Committee during the year under review met 2 (twice) on May 15, 2018 and October 30, 2018.

Sr. No.	Name of the Member	Designation	Category	No. of meetings	
				Held during their tenure	Attended
1.	Mr. Atul Maru	Chairman	Executive Director	2	2
2.	Mr. Hiren Gada	Member	Executive Director	2	2
3.	Mr. VasANJI Mamania	Member	Independent Director	2	2

ii. The Terms of Reference of the Committee are as follows:-

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties;
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget; and
- Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

E. Executive Committee

Apart from the above statutory Committees, the Board of Directors has constituted the following Functional Committees to raise the level of governance as also to meet the specific business needs.

The Executive Committee comprises of 3 (three) Directors of the Board and has been set up inter alia to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees, etc. The Committee reports to the Board and the minutes of the meetings are placed before the Board for confirmation.

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Raman Maroo	Chairman	Executive Director
2.	Mr. Atul Maru	Member	Executive Director
3.	Mr. Hiren Gada	Member	Executive Director

Terms of reference

The Executive Committee exercises powers in relation to the matters listed below:

- To open and operate Bank Accounts.
- To authorize change in signatories.
- To give instructions relating to the transactions of the Company with the Banks.
- To give necessary instructions for closure of Bank Accounts.
- To issue / revalidate / cancel Powers of Attorney.
- To authorize persons to act on behalf of the Company in relation to legal proceedings, appearing before any government authorities/agencies, dealing with the outside parties or in relation to any other matter where such authorization is required.

- To invest the funds of the Company within the limits approved by the Board in Shares, Debentures, Mutual Funds, FDRs and Bonds of Bodies Corporate and Government or Semi Government agencies.
- To avail loans, credit facilities, lease arrangements, inter corporate borrowings and other borrowing from Banks / Financial Institutions within the limits approved by the Board.
- To accept the terms and conditions for availing the said financial assistance.
- To authorize execution of documents and affix the Common Seal of the Company, wherever necessary.
- To request Banks or Financial Institutions for disbursement of funds.
- To create security on the assets of the Company for availing of the above-mentioned facilities.
- To do all acts, deeds and things, as may be required or considered necessary or incidental thereto.
- Any other related matters.

4. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL OF THE COMPANY

The Company has instituted a Code of Conduct for Members of the Board and Senior Management of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work.

The Code of Conduct is available on the website of the Company at www.shemarooent.com. All Board members and senior management personnel affirm compliances with the Code of Conduct annually. A declaration signed by the Managing Director (MD) and Chief Executive Officer & Chief Financial Officer (CEO & CFO) to this effect is placed at the end of this report.

5. SUBSIDIARY COMPANIES

The audit committee reviews the consolidated financial statements of the Company. The minutes of the Board meetings of the subsidiary companies are placed at the meeting of the Board of Directors of the Company on periodical basis. The Company has framed a policy for determining 'material subsidiaries' which is placed on the website of the Company at the following link: www.shemarooent.com. Shemaroo does not have any unlisted material subsidiary, incorporated in India. It also does not have a listed subsidiary.

6. GENERAL BODY MEETINGS

a) Annual General Meetings

During the preceding three years, the Date, Time and Venue of the Company's Annual General Meetings were as follows:

Financial Year	Day, Date	Time	Venue
2017-2018	Tuesday, September 11, 2018	04:00 PM	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001.
2016-2017	Wednesday, September 27, 2017	04:00 PM	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001.
2015-2016	Monday, September 26, 2016	04:00 PM	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001.

During the above mentioned financial years, following special resolution was passed in the Annual General Meeting dated 11.09.2018.

- To continue the Directorship of Mr. Buddhichand Maroo (DIN: 00169319) as Non-Executive Director of the Company.

b) Postal Ballot & E-voting:

During the financial year 2018-2019, the Company has successfully completed the process of obtaining approval of its shareholders through postal ballot/e-voting. The details of these special resolutions along with the voting pattern are as follows:

Sr. No.	Date of passing of Resolution	Description	Total No. of Valid Votes	No. of Votes Assenting the Resolution	% of Votes cast in favour	No. of Votes Dissenting the Resolution	% of Votes cast against
1	January 2, 2019	Amendments to Main Objects Clause of the Memorandum of Association of the Company.	20,076,026	20,075,833	99.9990	193	0.001
2	March 29, 2019	1. Re-appointment of Mr. Gnanesh D. Gala (DIN: 00093008) as an Independent Director of the Company for another term of 5 years.	20,075,848	20,075,283	99.9970	565	0.0028
		2. Re-appointment of Mr. VasANJI A. Mamania (DIN: 00013071) aged 81 years as an Independent Director of the Company for another term of 5 years.	20,075,533	20,074,899	99.9968	634	0.0032
		3. Re-appointment of Mr. Shashidhar N. Sinha (DIN: 00953796) as an Independent Director of the Company for another term of 5 years.	20,075,533	20,056,065	99.9030	19468	0.0970
		4. Re-appointment of Mr. Kirit V. Gala (DIN: 01540274) as an Independent Director of the Company for another term of 5 years.	20,075,534	20,074,986	99.9973	548	0.0027

CS Manish L. Ghia, Partner of M/s. Manish Ghia & Associates, Mumbai, Company Secretaries, (Certificate of Practice No. 3531) was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Postal Ballot procedure:

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its shareholders whose names appear on the register of members/list of beneficiaries as on cut-off date i.e. Friday, November 09, 2018 and Friday, February 08, 2019 respectively. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

The scrutinizer submits his report to the Chairman of the Company, after the completion of scrutiny of the postal ballots (including remote e-voting) and the results of the postal ballot were announced by the Chairman on January 2, 2019 and March 29, 2019 respectively. The results were intimated to NSDL and to the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's Report on the Company's website at www.shemarooent.com

c) Means of Communication with Shareholders

The Company regularly interacts with shareholders through various mediums of communication such as Results Announcement, Annual Report, Press releases and Company's website etc.

- **Results:** The Company's quarterly/half yearly/annual financial results are sent to the Stock Exchanges and also published in Financial express (English) and Mumbai Lakshadeep (Marathi) respectively and are also simultaneously displayed on its website at www.shemarooent.com.

- **News Releases/Presentations:** Official Press Releases, presentations made to media, analysts, institutional investors etc. are sent to the Stock Exchanges and are displayed on the Company's website at www.shemarooent.com.
- **Website:** The Company's website (www.shemarooent.com) contains a separate section "Investor Centre" where shareholders' information is available. The Company's Quarterly, half yearly and annual financial results, official news releases and presentations made to institutional investors and to the Analysts are promptly displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern, Unclaimed Dividends, Share price tools includes, inter-alia, share graphs, historical share price data and other Corporate Communications made to the Stock Exchanges are also available on the website. Annual Report of Subsidiary Companies are also posted on the website.
- **Communication to shareholders on Email:** As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which helped in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit.
- **Annual Report:** The Annual Report containing, inter-alia, Audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to shareholders and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Board's Report in the Annual Report. The Annual Report is displayed on the Company's website at www.shemarooent.com.
- **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web-based application designed by NSE for listed entities. All periodical compliance filings like shareholding pattern, corporate governance report, media releases statement of investor complaints among others, are filed electronically on NEAPS
- **BSE Corporate Compliance & Listing Centre:** BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a Centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports(ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

7. GENERAL SHAREHOLDER INFORMATION

a. Company Registration details:

The Company is registered in Mumbai, Maharashtra. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs (MCA) is L67190MH2005PLC158288.

b. Company's Registered Office Address:

Shemaroo Entertainment Limited, Shemaroo House, Plot no. 18, Marol Co-op. Indl. Estate, Off. Andheri Kurla Road, Andheri (E), Mumbai-400059.

c. Annual General Meeting:

Day & Date	:	Tuesday, September 24, 2019
Time	:	04:00 P. M.
Venue	:	M.C.Ghia Hall (Royal Banquet), 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.
Book Closure Date	:	Wednesday, September 18, 2019 to Tuesday, September 24, 2019 (both days inclusive)
Last Date of receipt of Proxy Forms	:	Sunday, September 22, 2019 before 04:00P.M
Cut-off date	:	Tuesday, September 17, 2019

d. Financial Calendar (Tentative):

The Company follows the period of 1st April to 31st March, as the Financial Year:

First Quarter Results	:	July/August, 2019
Half Yearly Results	:	October/November, 2019
Third Quarter Results	:	January/February, 2020
Fourth Quarter and Annual Results	:	May, 2020
Annual General Meeting	:	August/September, 2020

e. Dividend Payment Date:

The Board of Directors at their meeting held on May 13, 2019, recommended a Final Dividend of Rs. 1.65 per equity share of face value of Rs. 10/- each, for the financial year ended March 31, 2019. Final Dividend, if approved by shareholders in the AGM, will be paid on or after September 24, 2019 (within the statutory time limit of 30 days).

f. Listing:

At present, the equity shares of the Company are listed at:

- **Bombay Stock Exchange Limited (BSE) - Stock Code:538685**
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- **National Stock Exchange of India Limited (NSE) - Stock Code: SHEMAROO**
Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

The Annual listing fees for the financial year 2019-20 have been paid to the above Stock Exchanges.

- g. Payment of Depository Fees:** Annual Custody / Issuer fee for the year 2019-20 has been paid by the Company to NSDL and CDSL.

- h. ISIN Number:** INE363M01019

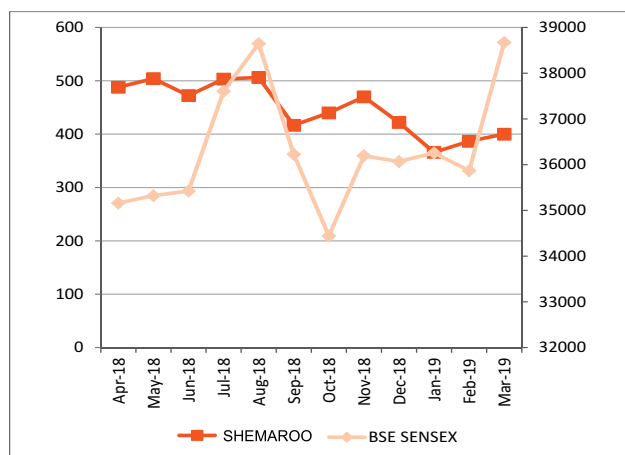
i. Market Price Data:

The high / low market price of the shares during the financial year 2018-2019 at the BSE Limited and at National Stock Exchange of India Ltd. were as under :-

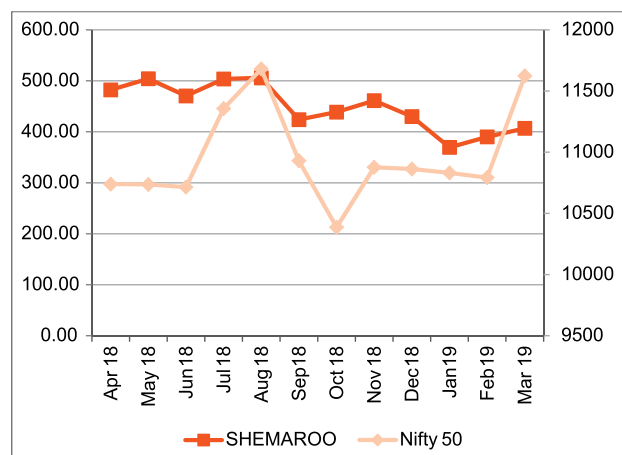
Month	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr-2018	560.00	462.60	16497	559.40	476.30	2,05,060
May-2018	540.75	444.80	37640	533.05	444.80	3,79,999
Jun-2018	514.10	458.20	5785	511.85	460.00	1,24,927
Jul-2018	523.50	424.00	29942	516.85	422.90	1,69,574
Aug-2018	528.00	463.65	17764	513.55	465.00	1,26,827
Sep-2018	530.00	404.45	144266	543.10	414.35	1,47,070
Oct-2018	481.65	380.70	137980	485.00	376.30	2,05,776
Nov-2018	527.90	443.15	118122	526.50	432.60	2,55,759
Dec-2018	465.00	411.30	9762	470.00	412.45	1,40,257
Jan-2019	454.95	335.35	9550	454.40	335.00	1,84,680
Feb-2019	414.00	325.00	45310	411.95	333.05	2,95,912
Mar-2019	446.00	345.30	21849	412.45	369.10	1,29,133

j. Performance in comparison to broad based indices:

A. PERFORMANCE OF SHARE PRICE IN COMPARISON TO BSE SENSEX:



B. PERFORMANCE OF SHARE PRICE IN COMPARISON TO CNX NIFTY:



k. Distribution of Shareholding:

The Shareholding distribution of the equity shares as on March 31, 2019 is given below:-

No. of Shares	No. of Shareholders*	No. of Shares	% to Total Shares
1 - 5000	8051	1794122	6.6004
5001 - 10000	48	342502	1.2600
10001 and above	66	25045615	92.1396
Total	8165	27182239	100.00

*Total no of Folio of the Company as on March 31, 2019.

l. Shareholding Pattern:

The Shareholding of different categories of the shareholders as on March 31, 2019 is given below:-

Category	No. of shares	% of Holdings
Promoters	16069080	59.12
Foreign Promoter	1822840	6.70
Alternate Investment Funds	52416	0.19
Foreign Portfolio Investor (Corporate)& FII	5003641	18.41
Financial Institutions& Banks	4367	0.02
Non -Resident Indians	308495	1.13
Other Bodies Corporate	946526	3.48
Clearing Member	23413	0.09
Hindu Undivided Family	76549	0.28
Office Bearers	12202	0.04
Directors	50636	0.19
Public	2812074	10.35
TOTAL	27182239	100.00

m. Share Transfer System:

All share transfer and other communications regarding share certificates, change of address, and dividends etc., should be addressed to Registrar and Transfer Agents.

As per directives issued by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015), effective from April 01, 2019, transfer of shares of a listed company can only be effected in dematerialised form. The Shareholders holding shares in the physical form are therefore requested to dematerialise their shares in their own interest. Communication in this respect has been sent by the Company during the year to the concerned Shareholders.

Accordingly, Stakeholders' Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on weekly basis. A summary of all the transfer/transmissions etc., if any, so approved by officers of the Company is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, and files a copy of the same with the Stock Exchanges.

n. Dematerialization of shares:

As on March 31, 2019, 99.81% of the Company's paid-up Equity Share Capital was held in dematerialized form with NSDL and CDSL. The Company's equity shares are regularly traded on NSE and BSE.

o. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

As of date, Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

p. Commodity price risk or foreign exchange risk and hedging activities:

As such the nature of the business of the Company is not exposed to any commodity price risk and so the company does not undertake any hedging activities.

q. Registrar and Share Transfer Agent:

The Company has appointed Link Intime India Private Limited as its Registrar. As required under Regulation 7(3) of the SEBI Listing Regulations, the Company has filed a Certificate issued by Registrar and the Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by its RTA.

r. Plant Locations:

The Company is not in the business of manufacturing, it operates from various offices in India and abroad for the purpose of business expansion with its corporate and registered office at Mumbai.

s. Address for Correspondence:

All shareholders' correspondence relating to share transfer / dematerialisation of shares, payment of dividend and any other queries of shares should be forwarded to M/s. Link Intime India Private Limited, the Registrar and Transfer Agent of the Company or to the Corporate Secretarial Department at the Registered Office of the Company at the addresses mentioned below.

Link Intime India Pvt. Ltd.

Unit: Shemaroo Entertainment Limited
C-107, 247 Park,
Lal Bahadur Shastri Road,
Vikhroli West, Mumbai-400083.
Tel No.:- 022-49186000; Fax: 022-49186060
E-mail Id : rnt.helpdesk@linkintime.co.in

Compliance Officer

Mr. Dipesh U. Gosar
Shemaroo House, Plot No. 18
Marol Co-op. Industrial Estate
Marol, Andheri (East) Mumbai – 400059.
Tel No.:022-40319911
E-mail Id : compliance.officer@shemaroo.com

The Company's dedicated e-mail address for Investors' Complaints and other communications is investors_services@shemaroo.com

t. Service of documents through Email:

Pursuant to the provisions of the Act, service of documents to shareholders by a Company is allowed through electronic mode. Further, as per SEBI Listing Regulations, Listed Companies shall supply soft copies of entire annual reports to all those shareholders who have registered their e-mail addresses for the purpose. Accordingly, the Company proposes to send documents like shareholders meeting notice/other notices, Audited Financial Statements, Board's Report, Auditor's Report or any other document, to its shareholders in electronic form at the email address provided by them and/or made available to the Company by their depositories. This will definitely help in prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss of documents in transit.

Shareholders who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their depositories or by writing to the Company/Registrar.

u. Nomination Facility:

As per the provisions of the Act, facility for making nomination is available for shareholders in respect of shares held by them. Shareholders holding shares in physical form may obtain nomination form, from the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

v. List of all credit ratings obtained by the Company:

Refer the Directors report for all credit ratings obtained by the Company.

8. OTHER DISCLOSURES

i. Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions, in accordance with relevant provisions of the Act and SEBI Listing Regulations. The said policy is also available on the website of the Company at www.shemarooent.com.

During the financial year under review, all Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval for such transactions which are of repetitive nature and are approved by the Audit Committee on omnibus basis for one financial year at a time. The Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note no. 26 to the Standalone Financial Statements.

ii. Whistle Blower Policy/Vigil Mechanism:

The Company has established a Vigil mechanism / Whistle blower policy under which the employees are free to report about the unethical behaviour, fraud, violations of applicable laws and regulations and the Code of Conduct and also provides for adequate safeguards against victimization of persons who use such mechanism. This mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's website at www.shemarooent.com. The Audit Committee periodically reviews the existence and functioning of the mechanism. On a quarterly basis, the reportable matters may be disclosed to Vigilance and Ethics Officer which operates under the supervision of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

iii. Reconciliation of Share Capital Audit:

M/s. Manish Ghia & Associates, Practicing Company Secretaries, carry out the Reconciliation of Share Capital Audit as mandated by SEBI, and report on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Board for its noting.

iv. Compliance with mandatory requirements:

The Company has complied with all applicable mandatory requirements of the SEBI Listing Regulations as on March 31, 2019. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the Compliance Officer is submitted with the Stock Exchanges where the shares of the Company are listed.

v. Details of non-compliance by the Company:

The Company has complied with all the requirements of regulatory authorities. No penalties and strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

vi. Adoption of Discretionary Requirements:

a. Chairman

Mr. Buddhichand Maroo is a Non-executive Chairman of the Company. During the financial year under review, except payments of nominal sitting fees for attending meetings of the Board, no reimbursement of expenses were made by the Company on account of performance of his duties.

b. Shareholder Rights

The Quarterly / Half-yearly / Annual financial results of the Company are published in the newspapers and also hosted on its website - www.shemarooent.com

A Physical copy of Annual Report are sent to those shareholders whose e-mail addresses are not registered with the Depository or the Company's Registrar and Share Transfer Agents or the Shareholders who has made specific request for the same.

c. Modified opinion(s) in audit report

The Company is in the regime of un-qualified financial statements with unmodified audit opinion.

d. Separate posts of Chairperson, Managing Director and Chief Executive Officer

The Company has separate posts of Chairman, who is a Non-Executive Director; Managing Director, who is an Executive Promoter Director and Chief Executive Officer, who is an Executive Whole Time Director & CFO.

e. Reporting of Internal Auditor

The Internal Auditor has the access of reporting directly to the Audit Committee. The Internal Auditors of the Company make quarterly presentations to the Audit Committee members on their Internal Audit reports.

vii. Disclosure on compliance with Corporate Governance Requirements specified in SEBI Listing Regulations

The Company has complied with the requirements of Part C of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

viii. Compliance with Regulation 39(4) of the SEBI Listing Regulations

Pursuant to Regulation 39(4) of SEBI Listing Regulations read with Schedule VI thereof, the Company reports that there are no outstanding unclaimed shares for the period April 01, 2018 to March 31, 2019.

ix. Code of Conduct for Prevention of Insider Trading

The Code of Conduct prohibits the Designated Persons of the Company dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons towards achieving compliance with the Regulations and to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

The Code of Conduct is available on the website of the Company at www.shemarooent.com.

x. Details of Utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement as Specified under Regulation 32(7A)

The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2019.

xi. Certificate for Non-Disqualification of Directors

A certificate from M/s. Manish Ghia & Associates, Company Secretaries in Practice, have been obtained certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

xii. Review of Prevention of Sexual Harassment

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2018-19 are as under:

- a. number of complaints filed during the financial year : 0
- b. number of complaints disposed of during the financial year: 0
- c. number of complaints pending as on end of the financial year.: NIL

xiii. Recommendation by the Committee of the Board

During the financial year 2018-19, the Board has accepted all the recommendations of its Committees.

xiv. Statutory Audit Fees

Total fees paid by the Company and its subsidiaries to the statutory auditors of the Company and all other entities forming part of the same network, aggregate to Rs. 19.71 Lakhs.

xv. CEO/CFO Certification

The 'Managing Director (MD)' and 'Chief Executive Officer & Chief Financial Officer (CEO & CFO)' have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) read with Part B of Schedule II of SEBI Listing Regulations has been received and the said certificate forms part of this Report.

xvi. Compliance Certificate of the Auditors

Certificate from the Auditors, M/s Manish Ghia & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations has been received and the said certificate forms part of this Report.

DECLARATION PURSUANT TO REGULATION 26(3) READ WITH SCHEDULE V OF SEBI LISTING REGULATIONS

In accordance with Regulation 26(3) read with Schedule V of SEBI Listing Regulations, We hereby declare that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year March 31, 2019.

Raman Maroo
Managing Director
DIN: 00169152

Hiren Gada
CEO & CFO
DIN: 01108194

Mumbai
May 13, 2019

MANAGING DIRECTOR / CEO & CFO CERTIFICATION CERTIFICATE UNDER REGULATION 17(8) THE SEBI (LODR), REGULATIONS, 2015

To,
The Board of Directors
Shemaroo Entertainment Limited

We, the undersigned, in our respective capacities as Managing Director, Chief Executive Officer & Chief Financial Officer of Shemaroo Entertainment Limited ("the Company"), to the best of our knowledge and belief, we state that:

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Raman Maroo
Managing Director
DIN: 00169152

Hiren Gada
CEO & CFO
DIN: 01108194

Mumbai
May 13, 2019

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Shemaroo Entertainment Ltd.
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Shemaroo Entertainment Limited**, for the year ended on 31st March 2019 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

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

For **Manish Ghia & Associates**
Company Secretaries

Place: Mumbai
Date : May 13, 2019

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Shemaroo Entertainment Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shemaroo Entertainment Limited** (CIN:L67190MH2005PLC158288) and having its registered office at Shemaroo House, Plot No. 18, Marol Co-operative Industrial Estate, Off. Andheri Kurla Road, Andheri (East), Mumbai- 400059 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 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, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (effective up to 9th November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10th November 2018);
 - (d) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Cinematograph Act, 1952, Copyright Act, 1957 and the rules made thereunder, being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards Guidelines etc. mentioned above and in respect of laws specifically applicable to the company based on their sector/industry, in so far as requirement relating to licencing/certification, submission of returns etc. based on test checking.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

1. incorporated an wholly owned subsidiary Shemaroo Media & Entertainment LLC, USA on April 23, 2018 with an investment of USD 50,000 (1000 Shares of face value of USD 50 each) as subscription to the equity capital; and
2. obtained the approval of members for amendment in the Main Objects Clause of the Memorandum of Association by way of passing Special Resolution through Postal Ballot process, result of which were declared on January 02, 2019.

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

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: May 13, 2019

M. No. FCS 6252 C.P. No. 3531

ANNEXURE A

To,
The Members,
Shemaroo Entertainment Limited Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: May 13, 2019

M. No. FCS 6252 C.P. No. 3531

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Shemaroo Entertainment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Valuation and Amortisation of Inventory: -

The media content (copyrights) are stated at lower of cost/unamortised cost or realisable value. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand. An appropriate impairment is made in cases where accelerated impairment is warranted.

We considered this as key audit matter due to the amount of balance Inventory and because of the Company's assessment of the fair value of the Inventory. This assessment involves judgements about the valuation methodology, future performance of business and future cash flow projections.

Auditors Response

Our procedures consisted of challenging management's methodology and key assumptions and included the following audit procedures:

Evaluated the design of internal controls relating to review of Inventory impairment testing performed by management.

Designed and performed audit procedures with respect to impairment testing workings including the assumptions and estimates used in evaluation of carrying values of assets where there is an indication of impairment.

Assessing the appropriateness of any changes to assumptions since the prior period

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 implementation and maintenance of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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. Misstatements 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 financial controls 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 expressing 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 standalone 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.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M.K.Dandekar & Co.,
(ICAI Reg. No. 000679S)**

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 13, 2019
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, these fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As per the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and there were no material discrepancies noticed on such physical verification.
- (iii) The Company has granted unsecured interest bearing loans to its subsidiary companies which are covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
 - (b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii) (b) and (c) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest;
- (iv) According to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 in respect of loans, investments, guarantees, and security given by the Company.
- (v) The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company
- (vi) The Company is not required to maintain the cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) According to information and explanations given to us, tax on the following amounts of income addition has not been deposited by the Company on account of disputes:

Name of the statute	Nature of Dues	Amount (₹ in lakhs)	Period to Which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	45.69	F.Y. 2010-11	ITAT
Customs Act	Customs Duty	160.64	F.Y. 2009-10	Remanded back to Commissioner
Maha VAT	VAT	56.11 0.05 153.14	F.Y.2007-08, F.Y.2008-09, F.Y. 2010-11	Appeal Appeal Tribunal
Central Sales Tax	CST	15.55 7.63 15.38	F.Y.2007-08, F.Y.2008-09, F.Y. 2010-11	Appeal Appeal Tribunal

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the information and explanations given to us, the term loans were applied for the purposes for which those are raised by the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or any fraud 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 in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi Company and hence clause 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 the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M.K.Dandekar & Co.,
(ICAI Reg. No. 000679S)**

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 13, 2019
Place: Mumbai

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of Shemaroo Entertainment Limited ("the Company") as of March 31, 2019 in conjunction with our audit of standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.K.Dandekar & Co.,
(ICAI Reg. No. 000679S)**

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 13, 2019
Place: Mumbai

Balance Sheet As At 31st March, 2019

(₹ in lakhs)

Particulars	Notes	As at 31 st March 2019	As at 31 st March 2018
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	3	3,050.07	3,214.36
(b) Other intangible assets	4	92.74	88.67
(c) Intangible assets under development		1.75	-
(d) Financial assets			
(i) Non-Current Investments	5 (a)	2,513.54	3,545.02
(ii) Loans and Advances	5 (b)	12.35	-
(iii) Other Financial assets	5 (c)	36.15	34.15
(e) Other non-current assets	6	325.72	307.96
Total Non-Current Assets		6,032.33	7,190.15
II Current assets			
(a) Inventories	7	60,071.29	51,458.43
(b) Financial assets			
(i) Trade receivables	8 (a)	15,659.63	13,871.28
(ii) Cash and Cash equivalents	8 (b)	135.54	108.25
(iii) Loans and Advances	8 (c)	174.24	71.68
(iv) Other Financial assets	8 (d)	75.70	-
(c) Other current assets	9	2,116.26	1,258.03
Total Current Assets		78,232.67	66,767.68
Total Assets		84,265.00	73,957.83
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	2,718.22	2,718.22
(b) Other Equity	11	55,304.29	47,162.35
Total Equity		58,022.51	49,880.57
Liabilities			
I Non-current liabilities			
(a) Financial Liabilities			
Non-Current borrowings	12	37.73	212.66
(b) Provisions	13	317.28	161.76
(c) Deferred tax Liabilities (Net)	14	341.45	358.29
Total Non-Current Liabilities		696.47	732.71
II Current liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	15 (a)	19,687.98	18,581.63
(ii) Trade payables	15 (b)	2,985.77	1,759.43
(iii) Other Financial Liabilities	15 (c)	625.16	1,346.41
(b) Other Current Liabilities	16	651.49	262.69
(c) Provisions	17 (a)	80.83	147.85
(d) Current Tax Liabilities (net)	17 (b)	1,514.79	1,246.54
Total Current Liabilities		25,546.02	23,344.54
Total Liabilities		26,242.48	24,077.25
Total Equity and Liabilities		84,265.00	73,957.83
See accompanying notes forming part of the financial statements	1-30		

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Statement of Profit and Loss for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Notes	Year ended 31 st March 2019	Year ended 31 st March 2018
I. Income			
Revenue from operations	18	54,804.87	47,678.33
Other income	19	169.71	185.43
Total Income		54,974.58	47,863.76
II. Expenses			
Operational Cost	20	29,690.53	26,986.98
Employee benefits expense	21	5,411.04	3,922.97
Finance costs	22	2,549.78	3,071.86
Depreciation and amortization expense	3 & 4	553.13	505.52
Other expenses	23	3,585.14	2,753.50
Total Expenses		41,789.62	37,240.83
III. Profit before tax		13,184.96	10,622.92
IV. Tax expense			
Current tax		4,610.95	3,980.61
Deferred tax Liability/ (Asset)	14	(37.47)	(306.33)
Total Tax expense		4,573.49	3,674.28
V. Profit for the year (A)		8,611.47	6,948.64
VI. Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of defined benefit plans		59.02	62.50
Tax relating to items that will not be reclassified to Profit and Loss		(20.62)	(21.63)
Total Other Comprehensive Income for the year (B)		38.39	40.87
VII. Total comprehensive income for the year (A + B)		8,649.87	6,989.51
VIII. Earnings per equity share [face value of share ₹ 10]	24		
(a) Basic (₹)		31.68	25.56
(b) Diluted (₹)		31.68	25.56
See accompanying notes forming part of the financial statements	1-30		

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

**For and on behalf of the Board of
Shemaroo Entertainment Limited**

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Cash Flow Statement for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Year ended 31 st March 2019	Year ended 31 st March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,184.96	10,622.92
Adjustments for :		
Depreciation & Amortisation	553.13	505.52
Dividend Income	(0.50)	(0.60)
Financial Cost	2,549.78	3,071.86
Liabilities no longer required written back	-	(0.22)
Interest Income	(119.83)	(173.96)
Unrealised foreign exchange Gain/(Loss)	5.97	1.40
Provision for Compensated leave absences	12.67	53.20
Provision for Gratuity	69.16	35.16
Bad Debts written off	13.89	17.48
Operating profit before working capital changes	16,269.22	14,132.75
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	(2,783.32)	(7,881.46)
Decrease/(Increase) in Inventories	(8,612.86)	(1,726.72)
Increase/(Decrease) in Trade or Other Payable	1,712.08	(792.05)
Cash generated from/(used in) operations	6,585.12	19,495.44
Direct Taxes paid (net)	4,289.65	5,011.96
Net cash from/(used in) operating activities	2,295.47	14,483.48
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	26.30	-
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(420.96)	(362.10)
Investment in/Withdrawal from Subsidiaries	1,031.47	(2,346.02)
Loan to Subsidiaries	(87.53)	1,100.43
Dividend Income	0.50	0.60
Interest Income	119.83	173.96
Net cash from/(used in) investing activities	669.61	(1,433.13)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(421.32)	(380.55)
Tax on Dividend Paid	(86.60)	(77.47)
Increase/(Decrease) in Non-Current Borrowings	(986.44)	(2,699.85)
Increase/(Decrease) in Current Borrowings	1,106.35	(6,826.19)
Financial Cost	(2,549.78)	(3,071.86)
Net cash from/(used in) financing activities	(2,937.80)	(13,055.92)
Net increase/(decrease) in cash and cash equivalents	27.29	(5.58)
Cash and cash equivalents as at the beginning of the year	108.25	113.83
Cash and cash equivalents as at the end of the year	135.54	108.25

As per our report of even date.

For M. K. Dandeker & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 13th May 2019

**For and on behalf of the Board of
Shemaroo Entertainment Limited**

Raman Maroo

Managing Director
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Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai

Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note	Balance as at 1 st April 2018	Changes in equity share capital during the year		Balance as at 31 st March 2019
			2018-19	2017-18	
Equity Share Capital	10	2,718.22	-	-	2,718.22

B. Other Equity

(₹ in Lakhs)

Particulars	Note	Reserves & Surplus			Other Comprehensive Income	Total
		Securities premium account	General reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1st April 2019		14,340.81	2,112.81	30,688.67	20.06	47,162.35
Total Comprehensive Income for the year	11	-	-	8,611.47	38.39	8,649.87
Dividends (including Dividend Distribution Tax)		-	-	(507.93)	-	(507.93)
Balance as at 31st March 2019		14,340.81	2,112.81	38,792.21	58.46	55,304.29

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo

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Place: Mumbai
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Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Notes to Financial Statements for the year ended 31st March 2019

1 Corporate information

Shemaroo Entertainment Limited ('Shemaroo' or 'the Company') is a public company domiciled in India and incorporated on 23rd December, 2005, in the state of Maharashtra. The Company's registered office is at Shemaroo House, Plot No. 18, Marol Co-operative Industrial Estate, Off. Andheri Kurla Road, Andheri East Mumbai - 400059, Maharashtra, India. The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Limited.

Shemaroo is engaged in the distribution of content for Satellite Channels, Physical Formats and Emerging Digital Technologies like Mobile, Internet, Broadband, IPTV and DTH among others.

2 Significant accounting policies

2.1 Statement of Compliance

The financial statements of the company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 (the Act).

2.2 Basis of accounting and preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount.

Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

2.3 Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.4 Summary of Significant Accounting Policies

(a) Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if deemed appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Intangible asset

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebate less accumulated amortisation / depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Depreciation and amortisation

Depreciation on property, plant and equipment is provided using straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is lower.

Depreciation for property, plant and equipment purchased/sold during a period is proportionately charged. Fixed Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of acquisition. The Company has estimated the useful lives for the fixed assets as follows:

Office Building	58 years
Plant & Machinery	3 - 15 years
Furniture & Fixtures	10 years
Motor Vehicle	8 - 10 years

Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

Computer Software	5 years
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(d) Borrowing Costs

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(e) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting dates as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is

recognized in the Statement of the Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On the initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at cost. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit or loss.

(g) Inventories

The media content (copyrights) are stated at lower of cost/unamortised cost or realisable value. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate impairment is made in cases where accelerated impairment is warranted.

Inventories of Raw material Stock (Retail pack/ DVDs/ CDs etc.) are valued at cost or estimated net realizable value whichever is lower.

Projects in progress and movies under production are stated at cost. Cost comprises the cost of materials, the cost of services, labour and other expenses.

The borrowing costs directly attributable to a movie/game is capitalised as part of the cost.

(h) Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(i) Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(j) Financial Assets

A. Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement:

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in the above categories are fair valued through profit or loss.

C. Investment in subsidiaries, associates and joint ventures:

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Impairment of Financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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.

(k) Financial Liabilities

A. Initial recognition and measurements:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts are approximate fair value due to the short maturity of these instruments.

(l) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation.

Post-employment Benefits

Defined Contribution Plans

A Defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity

The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services.

Re-measurement of Defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(m) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

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

(n) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of transactions are recognised in Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on translation are recognised in Other Comprehensive Income.

(o) Revenue recognition

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 01, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings as at April 01, 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales of Media content is recognised, when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

Sale of goods

Revenue from sale of goods (ACDs/ VCDs/ DVDs/ACS/BRDs) is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Income from Services

Revenues from services are recognised when contractual commitments are delivered net of returns, trade discounts and rebates. The company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

(p) Other income

i) Interest Income

Interest Income from a financial asset is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head " other income" in the statement of profit and loss.

ii) Dividend Income

Dividend income is recognised when the Company's right to receive the payment has been established.

iii) Rent Income is recognised on accrual basis as per the agreed terms on straight line basis.

(q) Purchase of rights

In respect of satellite rights, as per the terms and conditions of the agreement with producer/seller, with respect to the date of agreement of purchase and the existence of Censor Certificate.

In respect of other rights like Video and other rights on the date of the agreement of purchase with producer/seller, provided the Censor Certificate is in existence.

(r) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(s) Provisions & Contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of

resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial cost.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(t) Standard issued but not yet effective

On 30th March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1st April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1st April 2019. The Company will adopt the standard for the financial year beginning 1st April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not expected to be material.

Non-Current Assets

3 Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Total
Cost or Deemed Cost					
At 1st April 2018	5,069.50	263.12	525.96	984.13	6,842.71
Additions	292.42	81.38	4.07	-	377.88
Disposals	(14.30)	(65.63)	-	-	(79.93)
At 31st March 2019	5,347.62	278.88	530.03	984.13	7,140.66
Accumulated Depreciation					
At 1st April 2018	2,856.65	136.72	412.93	222.06	3,628.35
Charge for the year	453.68	28.66	17.51	16.02	515.88
Disposals	(3.18)	(50.45)	-	-	(53.63)
At 31st March 2019	3,307.15	114.93	430.43	238.08	4,090.59
Net Block					
At 1st April 2018	2,212.85	126.41	113.03	762.07	3,214.36
At 31st March 2019	2,040.47	163.95	99.60	746.05	3,050.07

*Office Building Include ₹ 98,000 (Previous Year ₹98,000) in shares of Co-operative Housing Societies with right to hold and use certain area of Buildings.

4 Other Intangible assets

(₹ in Lakhs)

	Software	Total
Cost or Deemed Cost		
At 1st April 2018	354.73	354.73
Purchase	41.33	41.33
Disposals	-	-
At 31st March 2019	396.06	396.06
Accumulated amortisation		
At 1st April 2018	266.07	266.07
Charge for the year	37.25	37.25
Disposals	-	-
At 31st March 2019	303.32	303.32
Net Block		
At 1st April 2018	88.67	88.67
At 31st March 2019	92.74	92.74

5 Financial Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
(a) Non- Current Investments		
Investments measured at Cost In Subsidiaries, Unquoted		
(i) 200 (31 st March 2018: 200) Equity shares at no par value of Shemaroo Entertainment INC, USA, a wholly owned subsidiary	4.08	4.08
(ii) 3600 (31 st March 2018: 3600) Equity shares of GBP 10/- each fully paid up of Shemaroo Entertainment (UK) Private Limited, a wholly owned subsidiary	26.88	26.88
(iii) 1000000 (31 st March 2018: 1000000) Equity shares of ₹ 10/- each fully paid up of Canopy Entertainment Private Limited (formerly known as Shemaroo Films Private Limited)	100.00	100.00
(iv) 1000 (31 st March 2018: NIL) units of Shemaroo Media & Entertainment LLC, USA, a wholly owned subsidiary	33.57	-
(v) Capital Account in Shemaroo Think Tank Entertainment LLP		
- in fixed capital account	1.00	1.00
- in current capital account	343.11	1,596.45
(vi) Capital Account in Contentino Media LLP		
- in fixed capital account	0.65	0.65
- in current capital account	937.87	749.57
Investment in Equity shares of Associate Company, Unquoted		
(vii) 45000 (31 st March 2018: 45000) Equity shares of ₹ 10/- each fully paid up of Vistaas Digital Media Private Limited	1,061.39	1,061.39
Others, Unquoted		
(viii) 50000 (31 st March 2018: 50000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00
Total	2,513.54	3,545.02
OTHER DISCLOSURES		
Aggregate amount of unquoted Investment	2,513.54	3,545.02
(a.i) Category-wise Non-Current Investments		
Financial Assets measured at Cost	2,513.54	3,545.02
Total	2,513.54	3,545.02

(a.ii) Share in Interest of Profit/(Loss) Ratio in Limited Liability Partnership

Partner's Name	As at 31 st March 2019	As at 31 st March 2018
Shemaroo Think Tank Entertainment LLP		
i. Shemaroo Entertainment Limited	99.99%	99.99%
ii. Raman Hirji Maroo	0.01%	0.01%
Total share	100.00%	100.00%
Contentino Media LLP		
i. Shemaroo Entertainment Limited	65.00%	65.00%
ii. Murtuza Fakhruddin Kagalwala	17.50%	17.50%
iii. Rajesh Kumar Das	17.50%	17.50%
Total share	100.00%	100.00%

(₹ in Lakhs)		
Particulars	As at 31 st March 2019	As at 31 st March 2018
(b) Loans & Advances		
Unsecured, considered good		
Loans to employees	12.35	-
Total	12.35	-
(c) Other Financial Assets		
Bank Deposits with more than 12 months maturity	7.50	7.50
Security Deposit	28.65	26.65
Total	36.15	34.15
6 Other Non- Current Assets		
Advances to Vendors	35.42	33.82
Other Taxes Receivable	178.05	159.88
Balance with Customs and Central Excise Authorities	106.91	106.91
Prepaid lease payments	5.35	7.35
Total	325.72	307.96
CURRENT ASSETS		
7 Inventories		
Work-in-Progress		
Media content under Production	594.97	380.22
Stock-in-Trade		
DVDs, VCDs & ACDs	145.94	102.17
Copyrights	59,330.38	50,976.04
Total	60,071.29	51,458.43
The entire book value (carrying amount) of inventories is pledged as security for Cash Credit Facilities taken from banks.		
8 Financial Assets		
(a) Trade receivables		
Unsecured Trade receivables		
- considered good	15,701.92	13,909.72
Expected Credit loss allowance	(42.29)	(38.45)
Total	15,659.63	13,871.28
For transactions relating to related party receivables, refer note 26 (a)		
Movement in expected credit loss allowance		
Opening Balance	38.45	40.28
Movement in expected credit loss allowance during the year	3.85	(1.84)
Closing Balance	42.29	38.45

(₹ in Lakhs)

Particulars	As at	
	31 st March 2019	31 st March 2018
(b) Cash and Cash Equivalents		
Cash and Bank Balance		
Balances with Banks in Current Account	73.42	48.40
Cash in hand	13.13	4.92
Deposit with maturity of less than twelve months *	48.99	54.93
Total	135.54	108.25
* Includes balances with banks held as margin money deposits against guarantees	31.80	31.80
(c) Loans & Advances		
Unsecured, considered good		
Loans to subsidiaries (Refer Note 26 (a))	115.08	27.55
Loan to employees	59.16	44.13
Total	174.24	71.68
(d) Other Financial Assets		
Trade Deposits	75.70	-
Total	75.70	-
9 Other Current Assets		
Advances paid for Supply of Goods and Rendering of Services	1,991.23	1,177.63
Other Taxes Receivables	-	2.88
Prepaid Expense	85.40	77.52
Others	39.64	-
Total	2,116.26	1,258.03
10 Equity Share capital		
Authorized shares capital		
3,00,00,000 equity shares of ₹ 10/- each (Previous Year 3,00,00,000)	3,000.00	3,000.00
Issued, subscribed and paid-up capital		
2,71,82,239 (Previous year 2,71,82,239) equity shares of ₹ 10/- each fully paid up	2,718.22	2,718.22
Total	2,718.22	2,718.22

OTHER DISCLOSURES

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders, except in case of interim dividend. In the event of liquidation, the share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Reconciliation of no. of equity shares & share capital

	As at 31 st March 2019		As at 31 st March 2018	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22
Outstanding at the end of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22

b) Details of shareholders holding more than 5% shares in the company

	As at 31 st March 2019		As at 31 st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Hirji Maroo	48,09,520	17.69%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%
Mr. Budhichand Hirji Maroo	35,75,320	13.15%	35,75,320	13.15%
New Horizon Opportunities Master Fund	26,14,000	9.62%	26,14,000	9.62%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%
Total	1,76,31,200	64.86%	1,76,31,200	64.86%

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
11 Other Equity		
(a) Reserves & Surplus		
I Securities premium account		
Opening balance	14,340.81	14,340.81
Closing Balance	14,340.81	14,340.81
II General reserve		
Opening balance	2,112.81	2,112.81
Closing Balance	2,112.81	2,112.81
III Retained Earnings		
Opening balance	30,688.67	24,198.05
Profit for the year	8,611.47	6,948.64
Payment of Dividend on Equity Shares	(421.32)	(380.55)
Tax on Proposed Dividend	(86.60)	(77.47)
Closing Balance	38,792.21	30,688.67
(b) Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Remeasurements of defined benefit plans		
Opening Balance	20.06	(20.81)
Remeasurements during the year	59.02	62.50
Deferred tax on remeasurements during the year	(20.62)	(21.63)
Closing Balance	58.46	20.06
Total Retained Earnings	38,850.67	30,708.73
Total	55,304.29	47,162.35

Non-Current Liabilities
Financial Liabilities

12 Non-Current Borrowings

(₹ in Lakhs)

Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 st March 2019	As at 31 st March 2018
Secured Bank Loan - at amortised cost					
(i) Term Loan, secured by hypothecation of Machinery/Equipment	1 year MCLR + 0.55%	20-Jun-18	Repayment monthly in eleven equal installments of 42 Lakhs & One installment of 38 Lakhs	-	94.08
(ii) Term Loan, secured by hypothecation of specified copyrights	1 year MCLR + 1.75%	31-Aug-18	Repayment quarterly in ten equal installments	-	453.96
(iii) Term Loan, secured by hypothecation of motor vehicles	9.46% to 10.30%	05-Mar-19	Repayment monthly in equal installments as per repayment schedule of the Bank	-	12.43
(iv) Bill Discounting from Bank is secured by exclusive charge on specified receivables	6 months MCLR + 1.45%	10-Aug-18	Repayable in two equal installments - 10 th Sep'17 & 10 th Aug'18	-	750.21
(v) Bill Discounting from Bank is secured by exclusive charge on specified receivables	6 months MCLR + 1.45%	10-Sep-19	Repayable 100% on 10 th Sep'19	200.23	199.52
(vi) Bill Discounting from Bank is secured by exclusive charge on specified receivables (Refer Note 26 (a) for Personal Guarantee)	1.20% + 6 months MCLR	10-Sep-19	Repayable in two equal installments - 30 th Sep'18 & 30 th Sep'19	265.20	-
(vii) Term Loan, secured by hypothecation of motor vehicles	8.61%	15-Sep-21	Repayment monthly in 37 equal installments of INR 101690/- as per repayment schedule of the Bank	27.28	-
(viii) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 17537/- as per repayment schedule of the Bank	5.09	-
(ix) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44683/- as per repayment schedule of the Bank	12.98	-
(x) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44683/- as per repayment schedule of the Bank	12.98	-
Total Non-Current Borrowings				523.75	1,510.19
Less: Current Maturities of long-term debt included in Note 15 (c)				486.02	1,297.53
Non-Current Borrowings				37.73	212.66

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Non-Current Liabilities		
13 Provisions		
Provision for employee benefits:		
- Gratuity	181.71	38.10
- Compensated leave absences	135.57	123.66
Total	317.28	161.76
14 Deferred Tax Liabilities		
Balances comprises temporary differences attributable to:		
Property, Plant & Equipment & Intangible Assets	381.64	441.47
Disallowances under the Income Tax Act, 1961	(28.32)	(78.34)
Financial Liability at amortised cost	8.75	(15.46)
Remeasurement of Defined benefit plan	(20.62)	10.62
Net Deferred Tax Liability	341.45	358.29

Movements in Deferred Tax Liabilities/Assets

	Current year (DTL)	Financial Liability at amortised cost (DTA)	Remeasurement of defined benefit plan (DTA)	Net Balance
Opening Balance as on 31 st March 2018	363.13	(15.46)	10.62	358.29
Charge or (Credit) to the Statement of Profit and Loss	(9.81)	13.59	(20.62)	(16.84)
Closing Balance as on 31st March 2019	353.32	(1.86)	(10.00)	341.45

Current Liabilities**15 Financial Liabilities****(a) Current Borrowings****Loan Repayable on Demand**

Secured Loan from Bank

{Secured by hypothecation of stock, book debts and collaterally secured by mortgage of property owned by the company and personal guarantee of some of the directors of the company}

Unsecured Bank Overdraft

Loans & Advances (Unsecured)

-Intercompany Deposits from others

-Directors

Total

12,308.80

11,349.26

4,270.75

4,117.40

205.00

205.00

2,903.43

2,909.97

19,687.98**18,581.63****(b) Trade payable**

(a) Due to Micro and Small Enterprises (Refer Note No.30.7)

(b) Due to Others

Total

174.68

-

2,811.09

1,759.43

2,985.77**1,759.43**

for transactions relating to related party payables, refer note 26 (a)

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
(c) Other Financial Liabilities		
Current Maturities of long-term debt	486.02	1,297.53
Security Deposit Received	21.00	17.75
Others	117.71	30.94
Unclaimed Dividend Payable	0.42	0.19
Total	625.16	1,346.41
16 Other Current Liabilities		
Advances received from Customers	21.59	77.59
Prepayments Received	-	0.25
Statutory Dues Payable	629.90	184.85
Total	651.49	262.69
17 Provisions		
(a) Provision for Employee Benefits		
- Gratuity	46.71	121.16
- Compensated leave absences	11.36	10.61
- E S I C	1.11	1.27
- Provident Fund	21.64	14.80
- Maharashtra Labour Welfare Fund	0.01	0.01
Total	80.83	147.85
(b) Other Provisions		
Provision for tax (Net of Advance Tax)	1,514.79	1,246.54
Total	1,514.79	1,246.54
Total Provisions	1,595.62	1,394.38
Income Tax expenses for the year can be reconciled to accounting profit as follows:		
Profit before tax	13,184.96	10,622.92
Tax effect of:		
Depreciation as per Income Tax Rules	(473.65)	(539.35)
Deductions	(141.82)	(80.24)
Exempted Dividend Income	(0.50)	
Expenses disallowed	1,046.81	1,498.65
	13,615.79	11,501.99
Applicable Tax Rate	0.35	0.35
	4,757.90	3,980.61
Tax Deduction at Source	(3,243.11)	(2,707.25)
Total	1,514.79	1,273.36

(₹ in Lakhs)

Particulars	Year ended 31 st March 2019	Year ended 31 st March 2018
18 Revenue from Operations		
Sale of Rights	53,681.16	47,086.24
Sale of Products	223.21	132.31
Income from Services	857.79	426.93
Other Operating Revenue	42.70	32.84
Total	54,804.87	47,678.33
19 Other Income		
Interest	119.83	173.96
Dividend from Non-Trade Investment	0.50	0.60
Other	49.38	10.87
Total	169.71	185.43
20 Operational Cost		
Inventories at the beginning of the year	51,458.43	49,731.71
Purchases	34,540.70	25,190.92
Works Cost	3,762.69	3,522.79
Inventories at the end of the year	60,071.29	51,458.43
Total	29,690.53	26,986.98
21 Employee Benefit Expense		
Salaries, Bonus and Allowances	4,907.64	3,550.83
Contribution to Provident & Other funds	285.10	252.19
Staff Welfare Expenses	218.31	119.95
Total	5,411.04	3,922.97
22 Finance costs		
Interest on Borrowings	2,438.29	2,947.52
Bank & Other Finance Charges	111.49	124.35
Total	2,549.78	3,071.86
23 Other expenses		
Bad Debts written off	13.89	17.48
Business Development expenses	152.21	62.80
Communication expenses	117.72	99.01
Directors Sitting Fees	4.40	5.00
Donations	194.31	165.72
Electricity Expenses	166.04	171.66
General Expenses	455.48	438.04
Insurance Expenses	59.18	62.48
Interest on Statutory Dues	14.71	70.11
Legal, Professional and Consultancy expenses	742.15	560.49
Payment to Auditors	19.19	19.25
Repairs and Maintenance		
- Machinery	38.76	10.73
- Others	266.41	123.87
Rents, Rates and Taxes	127.71	119.38
Security Charges	33.68	34.65
Selling and Marketing Expenses	860.55	606.94
Travelling and Conveyance	312.99	185.88
Loss due to damage of Assets	5.77	-
Total	3,585.14	2,753.50

(₹ in Lakhs)

Particulars	Year ended	
	31 st March 2019	31 st March 2018
Payment to auditor		
As auditor:		
Statutory Audit fee (excluding taxes)	16.25	16.25
In other capacity:		
Other Services (Certification Fees)	0.40	0.10
Reimbursement of expenses	2.54	2.90
Total	19.19	19.25
24 Earnings per share (EPS)		
Following reflects the net profit after tax and no. of shares data used in the Basic and Diluted EPS computations:		
Total Operations for the year		
Profit after tax	8,611.47	6,948.64
Net Profit for calculation of basic EPS	8,611.47	6,948.64
Net Profit as above	8,611.47	6,948.64
Net Profit for diluted EPS	8,611.47	6,948.64
Weighted average number of equity shares in calculating diluted EPS	271.82	271.82
(a) Basic (₹)	31.68	25.56
(b) Diluted (₹)	31.68	25.56

25 Employee Benefits

The Disclosures as defined in the Indian Accounting Standard 19 "Employee benefits", are given below:

Defined Contribution Plans

Contribution to provident and other funds is recognised as an expense in note 21 "Employee benefit expense" of the Statement of Profit and Loss.

Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated absences is recognised in the same manner as gratuity.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Defined Benefit obligation at beginning of the year	389.59	362.27
Current Service Cost	79.37	58.45
Interest Cost	29.73	26.59
Past Service Cost	-	26.79
Actuarial (Gain)/Loss	49.65	(62.50)
Benefits paid	(21.81)	(22.00)
Defined Benefit obligation at year end	526.53	389.59

II) Reconciliation of Net (Asset)/Liability recognised in the Balance Sheet as at 31st March

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2019	2018
Net (Asset)/Liability at the beginning of year	389.59	362.27
Expenses Recognized in Statement of Profit and Loss	109.10	111.83
Expenses Recognized in OCI	49.65	(62.50)
Benefit paid	(21.81)	(22.00)
Net (Asset)/Liability at the end of year	526.53	389.59

III) Amount recognised in Balance Sheet

Particulars	Gratuity (Unfunded) As at 31 st March	
	2019	2018
Present value of defined benefit obligation	(526.53)	(389.59)
Amount recognised in Balance Sheet	(526.53)	(389.59)

IV) Expenses recognised during the year

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Current Service Cost	79.37	58.45
Net Interest Cost	29.73	26.59
Past Service Cost	-	26.79
Actuarial (Gain)/Loss	-	-
Other Transfer	-	-
Net Cost	109.10	111.83

V) Expenses recognised in Other Comprehensive Income

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Actuarial (Gains)/Losses on Obligation For the Year	49.65	(62.50)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	49.65	(62.50)

VI) Actuarial assumptions

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Mortality Table	IAL (2006-08)	IAL (2006-08)
Discount rate (per annum)	7.72%	7.85%
Expected rate of salary increase (per annum)	8.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%

VII) Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Sensitivity Analysis	(₹ in Lakhs)	
	2018-19	2017-18
Projected Benefit Obligation on Current Assumptions	526.53	389.59
Delta Effect of +1% Change in Rate of Discounting	(62.72)	(43.17)
Delta Effect of -1% Change in Rate of Discounting	76.55	51.98
Delta Effect of +1% Change in Rate of Salary Increase	60.10	41.40
Delta Effect of -1% Change in Rate of Salary Increase	(52.78)	(36.93)
Delta Effect of +1% Change in Rate of Employee Turnover	1.76	1.11
Delta Effect of -1% Change in Rate of Employee Turnover	(2.26)	(1.50)

Notes:

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Qualitative Disclosures

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Gratuity plan is unfunded.

26 Related party disclosures

Related Party relationship	Name of Related Parties
Subsidiaries	Shemaroo Entertainment INC, USA Shemaroo Entertainment (UK) Private Ltd. Canopy Entertainment Private Limited (formerly known as Shemaroo Films Private Limited) Contentino Media LLP Shemaroo Think Tank Entertainment LLP Shemaroo Media & Entertainment LLC, USA
Key Management Personnel	Mr. Buddhichand Maroo Mr. Raman Maroo Mr. Atul Maru Mr. Jai Maroo Mr. Hiren Gada Mr. Vinod Karani Mr. Hemant Karani Mr. Bipin Dharod Mr. Ketan Maru Mr. Harakhchand Gada Mrs. Kranti Gada Mrs. Smita Maroo Ms. Mansi Maroo Mr. Dipesh Gosar
Relatives of Key Management Personnel	Mrs. Leelaben Maroo (wife of Mr. Buddhichand Maroo) Mrs. Kastur Maroo (wife of Mr. Raman Maroo) Mrs. Sangeeta Maru (wife of Mr. Atul Maru) Mrs. Radhika Maroo (daughter of Mr. Raman Maroo) Ms. Nirvi Maru (daughter of Mr. Atul Maru) Ms. Urvi Maru (daughter of Mr. Atul Maru) Mrs. Madhuri Gada (wife of Mr. Hiren Gada) Mrs. Varsha Karani (wife of Mr. Vinod Karani) Mrs. Harashada Karani (wife of Mr. Hemant Karani) Ms. Sneha Karani (Daughter of Mr. Hemant Karani)
Entities having Common Control	Atul H. Maru (HUF) Buddhichand H. Maroo (HUF) Raman H. Maroo (HUF) Shemaroo Corporation Sneha Arts Shemaroo Holdings Private Limited Think Walnut Digital Private Limited Technology and Media Group PTE. Ltd. Taurean Estate Development LLP Braj Holdings Pte. Ltd.
Associate Company	Vistaas Digital Media Private Limited

26 (a) Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

(₹ in Lakhs)

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Purchase of Goods & Services												
Sneha Arts	-	-	-	-	-	-	18.52	114.50	-	13.50	18.52	128.00
Sneha Creation	-	-	-	-	-	-	0.04	19.92	-	-	0.04	19.92
Think Walnut Digital Private Limited	-	-	-	-	-	-	8.99	9.01	-	-	8.99	9.01
Vistaas Digital Media Private Limited	-	-	-	-	-	-	9.49	85.57	-	-	9.49	85.57
Sale Of Goods & Services												
Contentino Media LLP	76.52	48.03	-	-	-	-	-	-	-	-	76.52	48.03
Canopy Entertainment Private Limited	76.47	48.03	-	-	-	-	-	-	-	-	76.47	48.03
	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Interest Received On Loan												
Shemaroo Entertainment (UK) Pvt. Ltd.	3.01	1.05	-	-	-	-	-	-	-	-	7.02	63.56
Shemaroo Entertainment INC, USA	1.14	0.94	-	-	-	-	-	-	-	-	3.01	1.05
Shemaroo Think Tank Entertainment LLP	-	39.45	-	-	-	-	-	-	-	-	1.14	0.94
Contentino Media LLP	-	22.12	-	-	-	-	-	-	-	-	-	39.45
Shemaroo Media & Entertainment, LLC	2.87	-	-	-	-	-	-	-	-	-	-	22.12
	-	-	-	-	-	-	-	-	-	-	2.87	-
Salaries												
Bipin Dharod	-	-	385.13	338.13	24.69	10.12	-	-	-	-	409.81	348.25
Hemant Karani	-	-	32.40	32.40	-	-	-	-	-	-	32.40	32.40
Ketan Maroo	-	-	55.40	55.40	-	-	-	-	-	-	55.40	55.40
Harakhchand Gada	-	-	38.40	38.40	-	-	-	-	-	-	38.40	38.40
Vinod Karani	-	-	-	22.60	-	-	-	-	-	-	-	22.60
Smita Maroo	-	-	150.75	124.45	-	-	-	-	-	-	150.75	124.45
Mansi Maroo	-	-	40.37	29.88	-	-	-	-	-	-	40.37	29.88
Madhuri Gada	-	-	18.23	4.69	-	-	-	-	-	-	18.23	4.69
Kranti Gada	-	-	-	-	14.95	10.12	-	-	-	-	14.95	10.12
Dipesh Gosar	-	-	35.84	18.12	-	-	-	-	-	-	35.84	18.12
Chirag Karani	-	-	13.75	12.20	-	-	-	-	-	-	13.75	12.20
	-	-	-	-	9.74	-	-	-	-	-	9.74	-
Directors Sitting Fees												
Jai Maroo	-	-	2.00	2.20	-	-	-	-	-	-	2.00	2.20
Buddhichand Maroo	-	-	1.00	1.20	-	-	-	-	-	-	1.00	1.20
	-	-	1.00	1.00	-	-	-	-	-	-	1.00	1.00
Remuneration to Directors												
Raman Maroo	-	-	158.69	117.56	-	-	-	-	-	-	158.69	117.56
Atul Maru	-	-	52.90	42.52	-	-	-	-	-	-	52.90	42.52
Hiren Gada	-	-	52.90	42.52	-	-	-	-	-	-	52.90	42.52
	-	-	52.90	32.52	-	-	-	-	-	-	52.90	32.52

26 (a) Related Party Transactions (Contd.)

(₹ in Lakhs)

Particulars	Subsidiaries As on		Key Management Personnel/ As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Interest Paid (on Loans)	-	-	361.35	408.12	-	-	-	-	-	-	361.35	408.12
Raman Maroo	-	-	162.79	172.42	-	-	-	-	-	-	162.79	172.42
Atul Maru	-	-	158.12	202.02	-	-	-	-	-	-	158.12	202.02
Hiren Gada	-	-	4.05	2.96	-	-	-	-	-	-	4.05	2.96
Buddhichand Maroo	-	-	15.52	9.75	-	-	-	-	-	-	15.52	9.75
Jai Maroo	-	-	20.86	20.96	-	-	-	-	-	-	20.86	20.96
Advances/Loans Given during the year	83.58	147.00	-	-	-	-	-	-	-	-	83.58	147.00
Shemaroo Entertainment (UK) Pvt. Ltd.	14.34	14.13	-	-	-	-	-	-	-	-	14.34	14.13
Shemaroo Entertainment INC, USA	-	2.62	-	-	-	-	-	-	-	-	-	2.62
Shemaroo Think Tank Entertainment LLP	-	42.26	-	-	-	-	-	-	-	-	-	42.26
Contentino Media LLP	-	88.00	-	-	-	-	-	-	-	-	-	88.00
Shemaroo Media & Entertainment, LLC	69.23	-	-	-	-	-	-	-	-	-	69.23	-
Loans Taken during the year	-	-	2,963.80	3,440.83	-	-	-	-	-	-	2,963.80	3,440.83
Atul Maru	-	-	2,113.20	2,636.37	-	-	-	-	-	-	2,113.20	2,636.37
Buddhichand Maroo	-	-	43.95	61.55	-	-	-	-	-	-	43.95	61.55
Jai Maroo	-	-	28.75	27.93	-	-	-	-	-	-	28.75	27.93
Raman Maroo	-	-	758.30	694.33	-	-	-	-	-	-	758.30	694.33
Hiren Gada	-	-	19.60	20.65	-	-	-	-	-	-	19.60	20.65
Dues from Related Parties	145.69	37.45	-	-	-	-	-	-	-	-	145.69	37.45
Shemaroo Entertainment INC, USA	14.16	12.27	-	-	-	-	-	-	-	-	14.16	12.27
Shemaroo Entertainment (UK) Pvt. Ltd.	33.83	16.63	-	-	-	-	-	-	-	-	33.83	16.63
Shemaroo Think Tank Entertainment LLP	-	-	-	-	-	-	-	-	-	-	-	-
Contentino Media LLP	29.18	8.55	-	-	-	-	-	-	-	-	29.18	8.55
Shemaroo Media & Entertainment, LLC	68.52	-	-	-	-	-	-	-	-	-	68.52	-
Dues to Related Parties	88.00	91.83	2,903.43	2,909.97	-	-	44.07	124.66	25.59	25.59	3,061.09	3,152.05
Atul Maru	-	-	1,221.26	1,264.62	-	-	-	-	-	-	1,221.26	1,264.62
Buddhichand Maroo	-	-	140.32	111.37	-	-	-	-	-	-	140.32	111.37
Hiren Gada	-	-	34.00	34.65	-	-	-	-	-	-	34.00	34.65
Jai Maroo	-	-	167.28	186.53	-	-	-	-	-	-	167.28	186.53
Raman Maroo	-	-	1,340.57	1,312.80	-	-	-	-	-	-	1,340.57	1,312.80
Sneha Arts	-	-	-	-	-	-	0.84	0.84	-	-	-	0.84
Sneha Creations	-	-	-	-	-	-	1.83	0.01	-	-	-	1.83
Think Walnut Digital Private Limited	-	-	-	-	-	-	42.24	123.82	-	-	-	42.24
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	25.59	25.59	-	25.59
Canopy Entertainment Pvt.Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
(Formerly known as Shemaroo Films Private Ltd)	88.00	91.83	-	-	-	-	-	-	-	-	88.00	91.83

Company has taken collective personal guarantee from related parties to the tune of ₹14,795 lakh, against its borrowings from the banks. The above loans from related parties are unsecured and payable on demand.

26 (b) Compensation of Key Managerial Personnel

The remuneration of directors and other members of Key Managerial Personnel during the year was as follows:

Particulars	(₹ in Lakhs)	
	Mar-19	Mar-18
i. Short-term benefits	535.05	447.57
ii. Post employment benefits	8.76	8.11
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

27 Financial Instruments

27.1 Fair value measurements

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(₹ in Lakhs)

Particulars	as at 31 st March'19				as at 31 st March'18			
	Level of inputs used in				Level of inputs used in			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
I. Financial Assets								
- At amortised cost								
Investments	2,513.54	-	-	-	3,545.02	-	-	-
Trade Receivables	15,659.63	-	-	-	13,871.28	-	-	-
Loans & Advances	186.59	-	-	-	71.68	-	-	-
Cash & Cash Equivalents	135.54	-	-	-	108.25	-	-	-
Security Deposit Given	28.65	-	-	28.65	26.65	-	-	26.65
Other Financial assets	83.20	-	-	-	7.50	-	-	-
II. Financial Liabilities								
- At amortised cost								
Borrowings	19,725.71	-	-	19,725.71	18,794.28	-	-	18,794.28
Trade Payables	2,985.77	-	-	-	1,759.43	-	-	-
Security Deposit Received	21.00	-	-	21.00	17.75	-	-	17.75
Other Financial Liabilities*	604.16	-	-	-	1,328.66	-	-	-

* Other financial liabilities includes current maturities of long term borrowings carried at fair value through profit and loss/amortised cost.

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

Level 1: Inputs are Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e, as prices) or indirectly (i.e, derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

27.2 Foreign exchange exposure

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions.

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as at the end of reporting period is as follows:

Particulars	Currency	(₹ in Lakhs)	
		As at 31 st March 2019	As at 31 st March 2018
Financial Assets			
Trade Receivables	USD (\$)	5.12	5.60
	EURO (€)	0.01	-
Loans to subsidiaries	USD (\$)	1.18	0.17
	GBP (£)	0.37	0.18
Other Current Assets			
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.81	0.00
Financial Liabilities			
Trade Payable	USD (\$)	1.10	0.19
	LKR (Rs)	10.11	-
	GBP (£)	0.03	-
Other Current Liabilities			
Advances received from Customers	USD (\$)	0.01	0.00

28 Financial Instruments

(i) Financial risk management objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates. The Company's exposure to the risk of changes in market interest rates primarily to the Company's long-term debt obligations.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	Interest impact (pre tax)			
	Year ended 31 st March'19		Year ended 31 st March'18	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	3.52	(3.52)	9.53	(9.53)
Impact on total equity as at the end of the reporting Year	3.52	(3.52)	9.53	(9.53)

c) Foreign Currency risk

The Company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that company. The management has taken a position not to hedge this currency risk. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

d) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers, deposits and loans given, investments and balances at bank.

The company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected credit loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(₹ in Lakhs)

Particulars	As at	
	31 st March 2019	31 st March 2018
Trade receivables (Unsecured)		
over six months	469.94	427.17
less than six months	15,189.69	13,444.11
Total	15,659.63	13,871.28

e) Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provided adequate liquidity in short term as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

Particulars	(₹ in Lakhs)			
	As at 31 st March'19		As at 31 st March'18	
	Due in 1 year	Due in 2 - 3 years	Due in 1 year	Due in 2 - 3 years
Financial Liabilities				
Trade Payable and other financial liabilities	23,298.90	-	21,687.47	-
Borrowings	-	37.73	-	212.66
Total	23,298.90	37.73	21,687.47	212.66

Current maturities of borrowings forms part of other financial liabilities. Hence, same is not considered separately in borrowings.

(ii) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

Gearing ratio

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

Particulars	(₹ in Lakhs)	
	As at 31 st March 2019	As at 31 st March 2018
Debt		
Long Term Borrowings (Including Current Maturity of Long Term Debts)	523.75	1,510.19
Short Term Borrowings	19,687.98	18,581.63
Cash & Bank Balances	(135.54)	(108.25)
Total Debt (A)	20,076.18	19,983.56
Equity		
Equity Share Capital	2,718.22	2,718.22
Other Equity	55,304.29	47,162.35
Total Equity (B)	58,022.51	49,880.57
Net Debt to Equity Ratio (A/B)	34.60%	40.06%

29 Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

(a) Assets taken on Operating Lease:

The Company has taken office premises and furniture and fixtures under lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee.

The total future minimum lease payments under the operating lease are as under :

Particulars	(₹ in Lakhs)	
	As at 31 st March 2019	As at 31 st March 2018
Minimum lease payments :		
Not later than one year	97.27	97.27
Later than one year but not later than five years	151.43	248.69

(b) Assets given on Operating Lease

The Company has given part of its building property under operating lease agreement. The initial term of the lease is for 3 years. The lease rental revenue for the year is ₹ 24.83 Lakhs (₹ 39.72 Lakhs).

30 Additional information to financial statements

30.1 Approval of financial statements

Financial statements were approved by Board of Directors on 13th May'2019 for adoption.

30.2 Segment Reporting

The Company has identified "Entertainment" as the only primary reportable business segment and hence business segment disclosure as per IND AS - 108 is not applicable. The Company has no geographical segment other than India.

30.3 Events after Reporting Period

Dividend on equity shares is approved by the Board of Directors in their meeting held on 13th May'19, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend Distribution Tax thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Proposed dividend on equity shares for the year ended 31st March'19: ₹ 1.65 per share and the cash flow including Dividend Distribution Tax aggregates to ₹ 540.70 lakhs

30.4 Details of Loans given, investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013.

- (a) Loan given by company to body corporate as at 31st March'19. (Refer note 8(c))
- (b) Investment made by the company as at 31st March'19. (Refer note 5(a))
- (c) No Guarantee has been given by the company as at 31st March'19.

30.5 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	31-Mar-2019	31-Mar-2018
Disputed Direct Tax Demands	45.69	19.46
Disputed Indirect Tax Demands	408.50	159.49
Legal Cases against the company	122.60	144.58
Bill of exchange discounted with Bank	675.00	1,350.00
	1,251.79	1,673.54

The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

30.6 Corporate Social Responsibility (CSR)

CSR amount required to be spent as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof by the Company during the year is ₹ 192 Lakhs and company has spent ₹ 194 Lakhs.

30.7 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is ₹ 174.68 Lakh during 2018-19 (Previous year 2017-18 Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

30.8 Custom duty and interest thereon aggregating ₹ 106.90/- Lakhs, is paid under protest in the Financial Year Ended 31.03.2008. The same is included in Other Non-Current Assets.

30.9 Disclosure under IND-AS - 108

For FY 2018-2019, revenue from top 1 customer accounted for ₹ 11,231 Lakhs. For FY 2017-2018, revenue from top 2 customers accounted for ₹ 16,992 Lakhs accounted for more than 10% of the revenues.

30.10 An amount of ₹ 3.37/- Lakhs grouped under other financial liabilities in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company which is held and maintained by HDFC Bank Limited, Refund Bankers to the IPO.

30.11 Prior Year Comparatives

Previous year's figures are regrouped, rearranged, or recast wherever necessary to conform to this year's classification.

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Shemaroo Entertainment Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group" and its Associates), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Valuation and Amortisation of Inventory:-

The media content (copyrights) are stated at lower of cost/unamortised cost or realisable value. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand. An appropriate impairment is made in cases where accelerated impairment is warranted.

We considered this as key audit matter due to the amount of balance Inventory and because of the Company's assessment of the fair value of the Inventory. This assessment involves judgements about the valuation methodology, future performance of business and future cash flow projections.

Auditors Response

Our procedures consisted of challenging management's methodology and key assumptions and included the following audit procedures:

Evaluated the design of internal controls relating to review of Inventory impairment testing performed by management.

Designed and performed audit procedures with respect to impairment testing workings including the assumptions and estimates used in evaluation of carrying values of assets where there is an indication of impairment.

Assessing the appropriateness of any changes to assumptions since the prior period

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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 Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows and consolidated changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is 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 are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Misstatements 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 financial controls 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 expressing 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 consolidated 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.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

We did not audit the financial statements of a subsidiary company whose financial statements reflect total asset of Rs. 1.93 lakhs as at 31 March 2019 and net cash flows amounting to Rs. 0.15 lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub – sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

We did not audit the financial statements of subsidiary companies and 2 subsidiary LLPs whose financial statements reflect total assets of Rs. 766.42 lakhs as at 31 March 2019, total Revenue of Rs. 2058.63 lakhs and net cash flows amounting to Rs. (0.015) lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub – sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the Management, these financial statements are not material to the Group.

The above mentioned three subsidiary companies are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditors in case of one of the subsidiaries under generally accepted auditing standards applicable in its respective country. The Company's Management has converted the financial statements of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally

accepted in India. We have audited these conversion adjustments made by the Company's Management. Our audit report in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors in case of one subsidiary and based on the representation from the Management in case of the other and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion on the consolidated Ind AS financial statements, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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 purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies incorporated in India, none of the directors of the Group Companies, its associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 were no pending litigations which would impact the consolidated financial position of the Group and its associates.
 - ii. The Group and its associates did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.

**For M.K.Dandeker & Co.,
(ICAI Reg. No. 000679S)**

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 13, 2019
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Shemaroo Entertainment Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of consolidated IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.


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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.K.Dandekar & Co.,
(ICAI Reg. No. 000679S)**

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 13, 2019
Place: Mumbai

Consolidated Balance Sheet As At 31st March, 2019

(₹ in lakhs)

Particulars	Notes	As at 31 st March 2019	As at 31 st March 2018
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	3	3,060.79	3,225.18
(b) Other intangible assets	4	101.97	100.97
(c) Intangible assets under development		1.75	-
(d) Financial assets			
(i) Non-Current Investments	5 (a)	646.66	669.22
(ii) Loans and Advances	5 (b)	12.35	-
(iii) Other Financial assets	5 (c)	36.15	34.15
(e) Other non-current assets	6	575.78	307.96
		4,435.45	4,337.48
II Current assets			
(a) Inventories	7	60,274.27	52,971.15
(b) Financial assets			
(i) Trade receivables	8 (a)	15,902.18	14,057.11
(ii) Cash and Cash equivalents	8 (b)	157.70	130.37
(iii) Loans and Advances	8 (c)	59.16	44.13
(vi) Other Financial assets	8 (d)	75.70	-
(c) Other current assets	9	2,117.12	1,595.08
		78,586.13	68,797.83
		83,021.58	73,135.31
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	2,718.22	2,718.22
(b) Other Equity	11		
Reserves & surplus		54,453.09	46,624.95
		57,171.31	49,343.17
Equity attributable to owners		(415.32)	(364.13)
Non-controlling Interest			
		56,756.00	48,979.04
Liabilities			
I Non-current liabilities			
(a) Financial Liabilities			
Non-Current borrowings	12	37.73	212.66
(b) Provisions	13	317.28	161.76
(c) Deferred tax Liabilities (Net)	14	341.45	358.29
		696.46	732.71
II Current liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	15 (a)	19,688.11	18,581.63
(ii) Trade payables	15 (b)	2,978.56	1,811.14
(iii) Other Financial Liabilities	15 (c)	625.16	1,355.82
(b) Other Current Liabilities	16	681.67	280.59
(c) Provisions	17 (a)	80.83	147.85
(d) Current Tax Liabilities (net)	17 (b)	1,514.79	1,246.54
		25,569.12	23,423.56
		26,265.58	24,156.27
		83,021.58	73,135.31
See accompanying notes forming part of the financial statements	1-32		

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

**For and on behalf of the Board of
Shemaroo Entertainment Limited**

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Notes	Year ended 31 st March 2019	Year ended 31 st March 2018
I. Income			
Revenue from operations	18	56,783.14	48,893.55
Other income	19	173.61	133.63
Total Income		56,956.76	49,027.18
II. Expenses			
Operational Cost	20	31,754.51	27,828.05
Employee benefits expense	21	5,508.81	3,968.52
Finance costs	22	2,556.84	3,071.83
Depreciation and amortization expense	3 & 4	558.46	512.52
Other expenses	23	3,737.92	2,847.27
Total Expenses		44,116.55	38,228.20
III. Profit before tax		12,840.21	10,798.98
IV. Tax expense			
Current tax		4,610.95	3,980.61
Deferred tax Liability/ (Asset)	14	(37.47)	(306.33)
Total Tax expense		4,573.49	3,674.28
V. Profit for the year (A)		8,266.73	7,124.71
VI. Minority shareholders interest- (Profit)/loss		51.18	45.18
VII. Share in associates		(22.56)	(53.41)
Profit/ (Loss) for the year from continuing operations (A)		8,295.35	7,116.48
VIII. Profit/(loss) for the year		8,295.35	7,116.48
IX. Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of defined benefit plans		59.02	62.50
Tax relating to items that will not be reclassified to Profit and Loss		(20.62)	(21.63)
Items that will be reclassified to profit/(loss)			
Exchange differences in translating the financial statements of a foreign operation		-	(3.63)
Total Other Comprehensive Income for the year (B)		38.39	37.25
X. Total comprehensive income for the year (A + B)		8,333.74	7,153.73
XI. Earnings per equity share [face value of share ₹ 10]	24		
(a) Basic (₹)		30.52	26.18
(b) Diluted (₹)		30.52	26.18
See accompanying notes forming part of the financial statements	1-32		

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

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Dipesh Gosar

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Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Consolidated Cash Flow Statement for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Year ended 31 st March 2019	Year ended 31 st March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,840.21	10,798.98
Adjustments for :	-	-
Depreciation & Amortisation	558.46	512.52
Dividend Income	(0.50)	(0.60)
Financial Cost	2,556.84	3,135.39
Liabilities no longer required written back	-	(0.21)
Interest Income	(120.01)	(173.97)
Urealised foreign exchange Gain/(Loss)	2.33	(3.38)
Provision for Compensated leave absences	12.67	53.20
Provision for Gratuity	69.16	35.16
Bad Debts written off	13.89	17.89
Operating profit before working capital changes	15,933.05	14,374.99
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	(2,753.92)	7,590.92
Decrease/(Increase) in Inventories	(7,303.12)	(2,927.53)
Increase/(Decrease) in Trade or Other Payable	1,656.02	(775.35)
Cash generated from/(used in) operations	7,532.04	18,263.03
Direct Taxes paid (net)	4,283.68	5,011.96
Net cash from/(used in) operating activities	3,248.36	13,251.07
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	26.30	-
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(423.12)	(362.10)
Investment in Subsidiaries/ Withdrawal from subsidiaries	-	(2,346.02)
Loan to Subsidiaries	-	1,100.43
Dividend Income	0.50	0.60
Interest Income	120.01	173.96
Net cash from/(used in) investing activities	(276.32)	(1,433.13)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in capital	-	2,344.02
Dividend Paid	(421.32)	(380.55)
Tax on Dividend Paid	(86.60)	(77.47)
Increase/(Decrease) in Non-Current Borrowings	(986.44)	(2,699.85)
Increase/(Decrease) in Current Borrowings	1,106.49	(7,927.06)
Financial Cost	(2,556.84)	(3,135.39)
Net cash from/(used in) financing activities	(2,944.72)	(11,876.30)
Net increase/(decrease) in cash and cash equivalents	27.33	(58.37)
Cash and cash equivalents as at the beginning of the year	130.37	188.74
Cash and cash equivalents as at the end of the year	157.70	130.37

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 13th May 2019

**For and on behalf of the Board of
Shemaroo Entertainment Limited**

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai

Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note	Balance as at 1 st April 2018	Changes in equity share capital during the year		Balance as at 31 st March 2019
			2018-19	2017-18	
Equity Share Capital	10	2,718.22	-	-	2,718.22

B. Other Equity

(₹ in Lakhs)

Particulars	Note	Reserves & Surplus			Other Comprehensive Income	Total
		Securities premium account	General reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1st April 2018		14,340.81	2,112.81	30,127.77	43.56	46,624.95
Total Comprehensive Income for the year	11	-	-	8,295.35	40.73	8,336.07
Dividends (including Dividend Distribution Tax)		-	-	(507.93)	-	(507.93)
Balance as at 31st March 2019		14,340.81	2,112.81	37,915.19	84.28	54,453.09

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai
Date: 13th May 2019

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Consolidated Notes to Financial Statements for the year ended 31st March 2019

1 Corporate information

Shemaroo Entertainment Limited ('Shemaroo' or 'the Company') is a public company domiciled in India and incorporated on 23rd December, 2005, in the state of Maharashtra. The Company's registered office is at Shemaroo House, Plot No. 18, Marol Co-operative Industrial Estate, Off. Andheri Kurla Road, Andheri East Mumbai - 400059, Maharashtra, India. The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Limited.

Shemaroo is engaged in the distribution of content for Satellite Channels, Physical Formats and Emerging Digital Technologies like Mobile, Internet, Broadband, IPTV and DTH among others.

i) The Company has the following subsidiaries/associate company:

Subsidiary/Associate concern	Date of Incorporation	Place of Incorporation	Proportion of effective ownership as on	
			31 st March 2019	31 st March 2018
Shemaroo Entertainment Inc. Wholly owned Subsidiary	15 th March, 2007	USA	100%	100%
Shemaroo Media & Entertainment LLC Wholly owned Subsidiary	23 rd April, 2018	USA	100%	-
Shemaroo Entertainment (UK) Pvt. Ltd Wholly owned Subsidiary	8 th July, 2009	UK	100%	100%
Canopy Entertainment Private Limited (Formerly known as Shemaroo Films Private Limited) Wholly owned Subsidiary	31 st October, 2012	India	100%	100%
Contentino Media LLP Subsidiary LLP	25 th August, 2015	India	65%	65%
Shemaroo Think Tank Entertainment LLP Subsidiary LLP	12 th October, 2015	India	99.99%	99.99%
Vistaas Digital Media Private Limited Associate Company	17 th September, 2009	India	50%	50%

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount. The consolidated financial statements of the company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Company's consolidated financial statements are presented in Indian Rupees (₹), which is its functional currency.

2.2 Principles of Consolidation

The Consolidated Financial statements relate to Shemaroo Entertainment Limited ('the Company'), its subsidiaries and an Associate Company (together referred to as 'the Group') and have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented

to the extent possible in the same manner as the Company's separate financial statements.

The Consolidated Financial Statements have been prepared on the following basis:

- i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions.
- ii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in foreign currency translation reserve.
- iii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- iv) Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- v) Associates are entities over which the Group has significant influence but not control. The financial statements have been consolidated as per Ind AS 28 - "Accounting for Investments in Associates & Joint venture" following the Equity Method for Consolidation of Associates. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.
- vi) The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.
- vii) The Notes and significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position. In this respect, the group has disclosed such notes and policies, which represent the requisite disclosure.

2.3 Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Summary of Significant Accounting Policies

(a) Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Intangible asset

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebate less accumulated amortisation / depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Depreciation and amortisation

Depreciation on property, plant and equipment is provided using straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is lower.

Depreciation for property, plant and equipment purchased/sold during a period is proportionately charged. Fixed Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of acquisition. The Group has estimated the useful lives for the fixed assets as follows :

Office Building	58 years
Plant & Machinery	3 - 15 years
Furniture & Fixtures	10 years
Motor Vehicle	8 - 10 years

Websites / Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

Computer Software 5 years

(d) Borrowing Costs

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(e) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Group assesses at each reporting dates as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the Statement of the Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On the initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the

acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at cost. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit or loss.

(g) Inventories

The media content (copyrights) are stated at lower of cost/unamortised cost or realisable value. The Group evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate impairment is made in cases where accelerated impairment is warranted.

The copyrights are valued at a percentage of cost based on the nature of rights, as estimated by the Management. The Group evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate write down is made in cases where accelerated write down is warranted.

Inventories of Raw material Stock (Retail pack/ DVDs/ CDs etc.) are valued at cost or estimated net realizable value whichever is lower.

Projects in progress and movies under production are stated at cost. Cost comprises the cost of materials, the cost of services, labour and other expenses.

The borrowing costs directly attributable to a movie/game is capitalised as part of the cost.

(h) Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(i) Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(j) Financial Assets

A. Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement:

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in the above categories are fair valued through profit or loss.

C. Equity Investments:

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

D. Investment in associates and joint ventures:

The Group has accounted for its investments in associates and joint venture at cost.

E. Impairment of Financial assets:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for

evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Group 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.

(k) Financial Liabilities

A. Initial recognition & measurements:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts are the approximate fair value due to the short maturity of these instruments.

(l) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation.

Defined Contribution Plans

A Defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity

The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employer's services.

Re-measurement of Defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(m) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

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

(n) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of transactions are recognised in Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on translation are recognised in Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(o) Revenue recognition

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 01, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings as at April 01, 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales of Media content is recognised, when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

Sale of goods

Revenue from sale of goods (ACDs/ VCDs/ DVDs/ ACS/BRDs) is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Income from Services

Revenues from services are recognised when contractual commitments are delivered net of returns, trade discounts and rebates. The Group collects Indirect taxes, if and where applicable, on

behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

(p) Other income

i) Interest Income

Interest Income from a financial asset is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head "other income" in the statement of profit and loss.

ii) Dividend Income

Dividend income is recognised when the Group's right to receive the payment has been established.

iii) Rent Income is recognised on accrual basis as per the agreed terms on straight line basis.

(q) Purchase of rights

In respect of satellite rights, as per the terms and conditions of the agreement with producer/seller, with respect to the date of agreement of purchase and the existence of Censor Certificate.

In respect of other rights like Video and other rights on the date of the agreement of purchase with producer/seller, provided the Censor Certificate is in existence.

(r) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(s) Provisions & Contingencies

Provisions are recognised when the Group has a present obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial cost.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(t) Standard issued but not yet effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1st April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1st April 2019. The Company will adopt the standard for the financial year beginning 1st April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not expected to be material.

NON-CURRENT ASSETS

3 Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Computer Hardware & Equipments	Total
Cost or Deemed Cost						
At 1st April 2018	5,078.50	263.12	530.58	984.13	6.37	6,862.70
Additions	292.42	81.38	4.07	-	2.16	380.04
Disposals	(14.30)	(65.63)	-	-	-	(79.93)
At 31st March 2019	5,356.63	278.88	534.65	984.13	8.53	7,162.82
Accumulated Depreciation						
At 1st April 2018	2,859.52	136.72	413.80	222.06	5.43	3,637.53
Charge for the year	454.60	28.66	17.88	16.02	0.96	518.14
Disposals	(3.18)	(50.45)	-	-	-	(53.63)
At 31st March 2019	3,310.94	114.93	431.68	238.08	6.39	4,102.03
Net Block						
At 1st April 2018	2,218.99	126.41	116.78	762.07	0.94	3,225.18
At 31st March 2019	2,045.68	163.95	102.97	746.05	2.13	3,060.79

*Office Building Include Rs. 98,000 (Previous Year Rs.98,000) in shares of Co-operative Housing Societies with right to hold and use certain area of Buildings.

4 Other Intangible assets

(₹ in Lakhs)

	Software	Trade Mark	Total
Cost or Deemed Cost			
At 1st April 2018	354.73	25.00	379.73
Purchase	41.33	-	41.33
Disposals	-	-	-
At 31st March 2019	396.06	25.00	421.06
Accumulated amortisation			
At 1st April 2018	266.07	12.70	278.76
Charge for the year	37.25	3.08	40.33
Disposals	-	-	-
At 31st March 2019	303.32	15.77	319.09
Net Block			
At 1st April 2018	88.67	12.30	100.97
At 31st March 2019	92.74	9.23	101.97

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
5 Financial Assets		
(a) Non- Current Investments		
Investments measured at Cost		
In Equity shares of Associate Company, Unquoted, fully paid up		
(i) 45,000 (31 st March 2018: 45,000) Equity shares of ₹ 10/- each fully paid up of Vistaas Digital Media Private Limited	45.00	45.00
Goodwill	1,016.39	1,016.39
Share of Loss	(419.73)	(397.16)
In Equity shares, Unquoted, fully paid up		
(ii) 50,000 (31 st March 2018: 50,000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00
Total	646.66	669.22
OTHER DISCLOSURES		
Aggregate amount of unquoted Investment	646.66	669.22
Aggregate amount of impairment in value of Investments	-	-
	646.66	669.22
(a) Category-wise Non-Current Investments		
Financial Assets measured at Cost	646.66	669.22
Financial Assets measured through Other Comprehensive Income	-	-
Total	646.66	669.22
(b) Loans & Advances		
Loans to employees	12.35	-
Total	12.35	-
(c) Other Financial Assets		
Bank Deposits with more than 12 months maturity	7.50	7.50
Security Deposit	28.65	26.65
Total	36.15	34.15
6 Other Non- Current Assets		
Other Taxes Receivable	428.11	159.88
Balance with Customs and Central Excise Authorities	106.91	106.91
Prepaid lease payments	5.35	7.35
Advances to Vendors	35.42	33.82
Total	575.78	307.96
CURRENT ASSETS		
7 Inventories		
Work-in-Progress		
Media content under Production	594.97	380.22
Stock-in-Trade		
DVDs, VCDs & ACDs	145.94	102.17
Copyrights	59,533.36	52,488.76
Total	60,274.27	52,971.15

The entire book value (carrying amount) of inventories is pledged as security for Cash Credit Facilities taken from banks.

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
8 Financial Assets		
(a) Trade receivables		
Unsecured Trade receivables	15,944.47	14,095.55
- considered good		
Expected Credit loss allowance	(42.29)	(38.45)
Total	15,902.18	14,057.11
For transactions relating to related party receivables, refer note 26 (a) Movement in expected credit loss allowance		
Opening Balance	38.45	40.28
Movement in expected credit loss allowance during the year	3.85	(1.84)
Closing Balance	42.29	38.45
(b) Cash and Cash Equivalents		
Cash and Bank Balance		
Balances with Banks in Current Account	95.54	69.43
Cash in hand	13.17	4.94
Deposit with maturity of less than twelve months*	48.99	56.00
Total	157.70	130.37
* Includes balances with banks held as margin money deposits against guarantees	31.80	31.80
(c) Loans & Advances		
Unsecured, considered good		
Loan to employees	59.16	44.13
Total	59.16	44.13
(d) Other Financial Assets		
Trade Deposits	75.70	-
Total	75.70	-
9 Other Current Assets		
Advances paid for Supply of Goods and Rendering of Services	1,991.23	1,177.63
Fixed deposit with Sales Tax Department	0.25	0.25
Other Taxes Receivables	0.61	339.67
Prepaid Expense	85.40	77.52
Others	39.64	-
Total	2,117.12	1,595.08
10 Equity Share capital		
Authorized shares capital		
3,00,00,000 equity shares of ₹ 10/- each (Previous Year 3,00,00,000)	3,000.00	3,000.00
Issued, subscribed and paid-up capital		
2,71,82,239 (Previous year 2,71,82,239) equity shares of ₹ 10/- each fully paid up	2,718.22	2,718.22
Total	2,718.22	2,718.22

OTHER DISCLOSURES

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders, except in case of interim dividend. In the event of liquidation, the share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Reconciliation of no. of equity shares & share capital

	As at 31 st March 2019		As at 31 st March 2018	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22
Outstanding at the end of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22

b) Details of shareholders holding more than 5% shares in the company

	As at 31 st March 2019		As at 31 st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Hirji Maroo	48,09,520	17.69%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%
Mr. Budhichand Hirji Maroo	35,75,320	13.15%	35,75,320	13.15%
New Horizon Opportunities Master Fund	26,14,000	9.62%	26,14,000	9.62%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%
Total	1,76,31,200	64.86%	1,76,31,200	64.86%

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
11 Other Equity		
(a) Reserves & Surplus		
I Securities premium account		
Opening balance	14,340.81	14,340.81
Closing Balance	14,340.81	14,340.81
II General reserve		
Opening balance	2,112.81	2,112.81
Closing Balance	2,112.81	2,112.81
III Retained Earnings		
Opening balance	30,127.77	23,469.31
Profit for the year	8,295.35	7,116.48
Payment of Dividend on Equity Shares	(421.32)	(380.55)
Tax on Proposed Dividend	(86.60)	(77.47)
Closing Balance	37,915.19	30,127.77
(b) Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Exchange differences on translating foreign operations		
Opening Balance	23.49	25.29
Add : Exchange differences in translating the financial statements of a foreign operation	2.33	(1.80)
Less : tax on exchange differences on translation of foreign operations -	-	
Closing Balance	25.83	23.49
- Remeasurements of defined benefit plans		
Opening Balance	20.06	(20.81)
Remeasurements during the year	59.02	62.50
Deferred tax on remeasurements during the year	(20.62)	(21.63)
Closing Balance	58.46	20.06
Total Other Comprehensive Income	84.28	43.56
Total Retained Earnings	37,999.47	30,171.33
Total	54,453.09	46,624.95

Non-Current Liabilities

Financial Liabilities

12 Non-Current Borrowings

(₹ in Lakhs)

Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 st March 2019	As at 31 st March 2018
Secured Bank Loan - at amortised cost					
(i) Term Loan, secured by hypothecation of Machinery/Equipment	1 year MCLR + 0.55%	20-Jun-18	Repayment monthly in eleven equal installments of 42 Lakhs & One installment of 38 Lakhs	-	94.08
(ii) Term Loan, secured by hypothecation of specified copyrights	1 year MCLR + 1.75%	31-Aug-18	Repayment quarterly in ten equal installments	-	453.96
(iii) Term Loan, secured by hypothecation of motor vehicles	9.46% to 10.30%	05-Mar-19	Repayment monthly in equal installments as per repayment schedule of the Bank	-	12.43
(iv) Bill Discounting from Bank is secured by exclusive charge on specified receivables	6 months MCLR + 1.45%	10-Aug-18	Repayable in two equal installments - 10 th Sep'17 & 10 th Aug'18	-	750.21
(v) Bill Discounting from Bank is secured by exclusive charge on specified receivables	6 months MCLR + 1.45%	10-Sep-19	Repayable 100% on 10 th Sep'19	200.23	199.52
(vi) Bill Discounting from Bank is secured by exclusive charge on specified receivables (Refer Note 26 (a) for Personal Guarantee)	1.20% + 6 months MCLR	10-Sep-19	Repayable in two equal installments - 30 th Sep'18 & 30 th Sep'19	265.20	-
(vii) Term Loan, secured by hypothecation of motor vehicles	8.61%	15-Sep-21	Repayment monthly in 37 equal installments of INR 101690/- as per repayment schedule of the Bank	27.28	-
(viii) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 17537/- as per repayment schedule of the Bank	5.09	-
(ix) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44683/- as per repayment schedule of the Bank	12.98	-
(x) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44683/- as per repayment schedule of the Bank	12.98	-
Total Non-Current Borrowings				523.75	1,510.19
Less: Current Maturities of long-term debt (included in Note 15 (c))					
				486.02	1,297.53
Non-Current Borrowings				37.73	212.66

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Non-Current Liabilities		
13 Provisions		
Provision for employee benefits:		
- Gratuity	181.71	38.10
- Compensated leave absences	135.57	123.66
Total	317.28	161.76
14 Deferred Tax Liabilities		
Balances comprises temporary differences attributable to:		
Property, Plant & Equipment & Intangible Assets	381.64	441.47
Disallowances under the Income Tax Act, 1961	(28.32)	(78.34)
Financial Liability at amortised cost	8.75	(15.46)
Remeasurement of Defined benefit plan	(20.62)	10.62
Net Deferred Tax Liability	341.45	358.29

Movements in Deferred Tax Liabilities/Assets

Particulars	Current year (DTL)	Financial Liability at amortised cost (DTA)	Remeasurement of defined benefit plan (DTA)	Net Balance
Opening Balance as on 31 st March'2018	363.13	(15.46)	10.62	358.29
Charge or (Credit) to the Statement of Profit and Loss	(9.81)	13.59	(20.62)	(16.84)
Closing Balance as on 31st March 2019	353.32	(1.86)	(10.00)	341.45

Current Liabilities**15 Financial Liabilities****(a) Current Borrowings****Loan Repayable on Demand**

Secured Loan from Bank

{Secured by hypothecation of stock, book debts and collaterally secured by mortgage of property owned by the company and personal guarantee of some of the directors of the company}

Unsecured Bank Overdraft

Loans & Advances (Unsecured)

-Intercompany Deposits from others

-Directors

Total

12,308.80	11,349.26
4,270.75	4,117.40
205.00	205.00
2,903.57	2,909.97
19,688.11	18,581.63

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
(b) Trade payable		
(a) Due to Micro and Small Enterprises (Refer Note No.32.7)	174.68	-
(b) Due to Others	2,803.88	1,811.14
Total	2,978.56	1,811.14
for transactions relating to related party payables, refer note 26 (a)		
(c) Other Financial Liabilities		
Current Maturities of long-term debt	486.02	1,297.53
Security Deposit Received	21.00	17.75
Others	117.71	40.35
* (includes Advance from customers, creditors for expenditure, unclaimed dues and other payables)		
Unclaimed Dividend Payable	0.42	0.19
Total	625.16	1,355.82
16 Other Current Liabilities		
Advances received from Customers	37.49	78.23
Prepayments Received	-	0.25
Statutory Dues Payable	644.18	202.11
Total	681.67	280.59
17 Provisions		
(a) Provision for Employee Benefits		
- Gratuity	46.71	121.16
- Compensated leave absences	11.36	10.61
- E S I C	1.11	1.27
- Provident Fund	21.64	14.80
- Maharashtra Labour Welfare Fund	0.01	0.01
Total	80.83	147.85
(b) Other Provisions		
Provision for Expenses	-	-
Provision for Tax on Proposed Dividends	-	-
Provision for tax (Net of Advance Tax)	1,514.79	1,246.54
Total	1,514.79	1,246.54
Total Provisions	1,595.62	1,394.38
Income Tax expenses for the year can be reconciled to accounting profit as follows:		
Profit before tax	13,184.96	10,622.92
Tax effect of :		
Depreciation as per Income Tax Rules	(473.65)	(539.35)
Deductions	(141.82)	(80.24)
Exempted Dividend Income	(0.50)	-
Expenses disallowed	1,046.81	1,498.65
	13,615.79	11,501.99
Applicable Tax Rate	0.35	0.35
	4,757.90	3,980.61
Tax Deduction at Source	(3,243.11)	(2,707.25)
Total	1,514.79	1,273.36

(₹ in Lakhs)

Particulars	Year ended 31 st March 2019	Year ended 31 st March 2018
18 Revenue from Operations		
Sale of Rights	55,641.23	48,303.95
Sale of Products	223.21	132.31
Income from Services	857.79	426.93
Other Operating Revenue	60.91	30.36
Total	56,783.14	48,893.55
19 Other Income		
Interest	120.01	110.41
Dividend from Non-Trade Investment	0.50	0.60
Other	53.10	22.62
Total	173.61	133.63
20 Operational Cost		
Inventories at the beginning of the year	52,971.15	50,043.62
Purchases	35,258.35	27,210.84
Works Cost	3,799.28	3,544.74
Inventories at the end of the year	60,274.27	52,971.15
Total	31,754.51	27,828.05
21 Employee Benefit Expense		
Salaries, Bonus and Allowances	5,005.02	3,595.91
Contribution to Provident & Other funds	285.10	252.32
Staff Welfare Expenses	218.69	120.29
Total	5,508.81	3,968.52
22 Finance costs		
Interest on Borrowings	2,445.35	2,947.49
Bank & Other Finance Charges	111.49	124.35
Total	2,556.84	3,071.83
23 Other expenses		
Bad Debts written off	13.89	17.48
Business Development expenses	204.53	92.75
Communication expenses	118.73	100.32
Directors Sitting Fees	4.40	5.00
Donations	194.31	165.72
Electricity Expenses	166.04	172.72
General Expenses	479.20	467.73
Insurance Expenses	59.18	62.48
Interest on Statutory Dues	14.71	70.11
Legal, Professional and Consultancy expenses	788.55	576.33
Payment to Auditors	19.71	22.14
Repairs and Maintenance		
- Machinery	38.76	10.73
- Others	266.41	125.60
Rents, Rates and Taxes	138.85	121.22
Security Charges	33.68	34.65
Selling and Marketing Expenses	864.78	606.94
Travelling and Conveyance	326.43	195.36
Loss due to damage of Assets	5.77	-
Total	3,737.92	2,847.27

(₹ in Lakhs)

Particulars	Year ended	
	31 st March 2019	31 st March 2018
Payment to auditor		
As auditor:		
Statutory Audit fee (excluding taxes)	16.77	19.14
In other capacity:		
Other Services (Certification Fees)	0.40	0.10
Reimbursement of expenses	2.54	2.90
Total	19.71	22.14
24 Earnings per share (EPS)		
Following reflects the net profit after tax and no. of shares data used in the Basic and Diluted EPS computations:		
Total Operations for the year		
Profit after tax	8,295.35	7,116.48
Net Profit for calculation of basic EPS	8,295.35	7,116.48
Net Profit as above	8,295.35	7,116.48
Net Profit for diluted EPS	8,295.35	7,116.48
Weighted average number of equity shares in calculating diluted EPS	271.82	271.82
(a) Basic (₹)	30.52	26.18
(b) Diluted (₹)	30.52	26.18

25 Employee Benefits

The Disclosures as defined in the Indian Accounting Standard 19 "Employee benefits", are given below:

Defined Contribution Plans

Contribution to provident and other funds is recognised as an expense in note 21 "Employee benefit expense" of the Statement of Profit and Loss.

Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated absences is recognised in the same manner as gratuity.

1) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Defined Benefit obligation at beginning of the year	389.59	362.27
Current Service Cost	79.37	58.45
Interest Cost	29.73	26.59
Past Service Cost	-	26.79
Actuarial (gain) / loss	49.65	(62.50)
Benefits paid	(21.81)	(22.00)
Defined Benefit obligation at year end	526.53	389.59

II) Reconciliation of Net (Asset)/Liability recognised in the Balance Sheet as at 31st March

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2019	2018
Net (Asset)/Liability at the beginning of year	389.59	362.27
Expenses Recognized in Statement of Profit and Loss	109.10	85.04
Expenses Recognized in OCI	49.65	(62.50)
Benefit paid	(21.81)	(22.00)
Net (Asset)/Liability at the end of year	526.53	362.80

III) Amount recognised in Balance Sheet

Particulars	Gratuity (Unfunded) As at 31 st March	
	2019	2018
Present value of defined benefit obligation	526.53	389.59
Amount recognised in Balance Sheet	526.53	389.59

IV) Expenses recognised during the year

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Current Service Cost	79.37	58.45
Net Interest Cost	29.73	26.59
Past Service Cost	-	26.79
Actuarial (gain) / loss	-	-
Other Transfer	-	-
Net Cost	109.10	111.83

V) Expenses recognised in Other Comprehensive Income

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Actuarial (Gains)/Losses on Obligation For the Year	49.65	(62.50)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	49.65	(62.50)

VI) Actuarial assumptions

Particulars	Gratuity (Unfunded)	
	2018-19	2017-18
Mortality Table	IAL (2006-08)	IAL (2006-08)
Discount rate (per annum)	7.72%	7.85%
Expected rate of salary increase (per annum)	8.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%

VII) Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

	(₹ in Lakhs)	
Sensitivity Analysis	2018-19	2017-18
Projected Benefit Obligation on Current Assumptions	526.53	389.59
Delta Effect of +1% Change in Rate of Discounting	(62.72)	(43.17)
Delta Effect of -1% Change in Rate of Discounting	76.55	51.98
Delta Effect of +1% Change in Rate of Salary Increase	60.10	41.40
Delta Effect of -1% Change in Rate of Salary Increase	(52.78)	(36.93)
Delta Effect of +1% Change in Rate of Employee Turnover	1.76	1.11
Delta Effect of -1% Change in Rate of Employee Turnover	(2.26)	(1.50)
Delta Effect of +1% Change in Rate of Employee Turnover	1.76	1.11
Delta Effect of -1% Change in Rate of Employee Turnover	(2.26)	(1.50)

Notes:

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Qualitative Disclosures

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk."

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost.

Gratuity plan is unfunded.

26 Related party disclosures

Related Party relationship	Name of Related Parties
Key Management Personnel	Mr. Buddhichand Maroo Mr. Raman Maroo Mr. Atul Maru Mr. Jai Maroo Mr. Hiren Gada Mr. Vinod Karani Mr. Hemant Karani Mr. Bipin Dharod Mr. Ketan Maru Mr. Harakhchand Gada Mrs. Kranti Gada Mrs. Smita Maroo Ms. Mansi Maroo Mr. Dipesh Gosar
Relatives of Key Management Personnel	Mrs. Leelaben Maroo (wife of Mr. Buddhichand Maroo) Mrs. Kastur Maroo (wife of Mr. Raman Maroo) Mrs. Sangeeta Maru (wife of Mr. Atul Maru) Mrs. Radhika Maroo (daughter of Mr. Raman Maroo) Ms. Nirvi Maru (daughter of Mr. Atul Maru) Ms. Urvi Maru (daughter of Mr. Atul Maru) Mrs. Madhuri Gada (wife of Mr. Hiren Gada) Mrs. Varsha Karani (wife of Mr. Vinod Karani) Mrs. Harashada Karani (wife of Mr. Hemant Karani) Ms. Sneha Karani (Daughter of Mr. Hemant Karani)
Entities having Common Control	Atul H. Maru (HUF) Buddhichand H. Maroo (HUF) Raman H. Maroo (HUF) Shemaroo Corporation Sneha Arts Shemaroo Holdings Private Limited Think Walnut Digital Private Limited Technology and Media Group PTE. Ltd. Taurean Estate Development LLP Braj Holdings Pte. Ltd.
Associate Company	Vistaas Digital Media Private Limited

26 (a) Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
	(₹ in Lakhs)											
Purchase of Goods & Services												
Sneha Arts	-	-	-	-	-	-	18.52	114.50	-	-	18.52	114.50
Sneha Creation	-	-	-	-	-	-	0.04	19.92	-	-	0.04	19.92
Think Walnut Digital Private Limited	-	-	-	-	-	-	8.99	9.01	-	-	8.99	9.01
	-	-	-	-	-	-	9.49	85.57	-	-	9.49	85.57
Salaries												
Bipin Dharod	-	-	385.13	338.13	24.69	10.12	-	-	-	-	409.81	348.25
Hemant Karani	-	-	32.40	32.40	-	-	-	-	-	-	32.40	32.40
Ketan Maroo	-	-	55.40	55.40	-	-	-	-	-	-	55.40	55.40
Harakhchand Gada	-	-	38.40	38.40	-	-	-	-	-	-	38.40	38.40
Vinod Karani	-	-	-	22.60	-	-	-	-	-	-	-	22.60
Smita Maroo	-	-	150.75	124.45	-	-	-	-	-	-	150.75	124.45
Mansi Maroo	-	-	40.37	29.88	-	-	-	-	-	-	40.37	29.88
Madhuri Gada	-	-	18.23	4.69	-	-	-	-	-	-	18.23	4.69
Kranti Gada	-	-	-	-	14.95	10.12	-	-	-	-	14.95	10.12
Dipesh Gosar	-	-	35.84	18.12	-	-	-	-	-	-	35.84	18.12
Chirag Karani	-	-	13.75	12.20	-	-	-	-	-	-	13.75	12.20
	-	-	-	-	9.74	-	-	-	-	-	9.74	-
Directors Sitting Fees												
Jai Maroo	-	-	2.00	2.20	-	-	-	-	-	-	2.00	2.20
Buddhichand Maroo	-	-	1.00	1.20	-	-	-	-	-	-	1.00	1.20
	-	-	1.00	1.00	-	-	-	-	-	-	1.00	1.00
Remuneration to Directors												
Raman Maroo	-	-	158.69	117.56	-	-	-	-	-	-	158.69	117.56
Atul Maru	-	-	52.90	42.52	-	-	-	-	-	-	52.90	42.52
Hiren Gada	-	-	52.90	42.52	-	-	-	-	-	-	52.90	42.52
	-	-	52.90	32.52	-	-	-	-	-	-	52.90	32.52
Interest Paid (on Loans)												
Raman Maroo	-	-	361.35	408.12	-	-	-	-	-	-	361.35	408.12
Atul Maru	-	-	162.79	172.42	-	-	-	-	-	-	162.79	172.42
Hiren Gada	-	-	158.12	202.02	-	-	-	-	-	-	158.12	202.02
Buddhichand Maroo	-	-	4.05	2.96	-	-	-	-	-	-	4.05	2.96
Jai Maroo	-	-	15.52	9.75	-	-	-	-	-	-	15.52	9.75
	-	-	20.86	20.96	-	-	-	-	-	-	20.86	20.96

26 (a) Related Party Transactions (Contd.)

(₹ in Lakhs)

Particulars	Subsidiaries As on		Key Management Personnel/ As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Loans Taken during the year	-	-	2,963.80	3,440.83	-	-	-	-	-	-	2,963.80	3,440.83
Atul Maru	-	-	2,113.20	2,636.37	-	-	-	-	-	-	2,113.20	2,636.37
Buddhichand Maroo	-	-	43.95	61.55	-	-	-	-	-	-	43.95	61.55
Jai Maroo	-	-	28.75	27.93	-	-	-	-	-	-	28.75	27.93
Raman Maroo	-	-	758.30	694.33	-	-	-	-	-	-	758.30	694.33
Hiren Gada	-	-	19.60	20.65	-	-	-	-	-	-	19.60	20.65
Dues to Related Parties	-	-	2,903.43	2,909.97	-	-	44.07	124.66	-	-	2,947.50	3,034.63
Atul Maru	-	-	1,221.26	1,264.62	-	-	-	-	-	-	1,221.26	1,264.62
Buddhichand Maroo	-	-	140.32	111.37	-	-	-	-	-	-	140.32	111.37
Hiren Gada	-	-	34.00	34.65	-	-	-	-	-	-	34.00	34.65
Jai Maroo	-	-	167.28	186.53	-	-	-	-	-	-	167.28	186.53
Raman Maroo	-	-	1,340.57	1,312.80	-	-	-	-	-	-	1,340.57	1,312.80
Sneha Arts	-	-	-	-	-	-	-	0.84	-	-	-	0.84
Sneha Creations	-	-	-	-	-	-	1.83	0.01	-	-	1.83	0.01
Think Walnut Digital Private Limited	-	-	-	-	-	-	42.24	123.82	-	-	42.24	123.82

Company has taken collective personal guarantee from related parties to the tune of ₹14,795 lakh against its borrowings from the banks. The above loans from related parties are unsecured and payable on demand.

26 (b) Compensation of Key Managerial Personnel

The remuneration of directors and other members of Key Managerial Personnel during the year was as follows:

Particulars	₹ in Lakhs	
	Mar-19	Mar-18
i. Short-term benefits	535.05	447.57
ii. Post employment benefits	8.76	8.11
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

27 Financial Instruments

27.1 Fair value measurements

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(₹ in Lakhs)

	as at 31 st March'19				as at 31 st March'18			
	Level of inputs used in				Level of inputs used in			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
I. Financial Assets								
- At amortised cost								
Investments	646.66	-	-	-	669.22	-	-	-
Trade Receivables	15,902.18	-	-	-	14,057.11	-	-	-
Loans & Advances	71.51	-	-	-	44.13	-	-	-
Cash & Cash Equivalents	157.70	-	-	-	130.37	-	-	-
Security Deposit Given	104.35	-	-	104.35	26.65	-	-	26.65
Other Financial assets	7.50	-	-	-	7.50	-	-	-
II. Financial Liabilities								
- At amortised cost								
Borrowings	19,725.85	-	-	19,725.85	18,794.28	-	-	18,794.28
Trade Payables	2,978.56	-	-	-	1,811.14	-	-	-
Security Deposit Received	21.00	-	-	21.00	17.75	-	-	17.75
Other Financial Liabilities	604.16	-	-	-	1,338.06	-	-	-

* Other financial liabilities includes current maturities of long term borrowings carried at fair value through profit and loss/amortised cost.

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

Level 1: Inputs are Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e, as prices) or indirectly (i.e, derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

27.2 Foreign exchange exposure

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions.

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as at the end of reporting period is as follows:

Particulars	Currency	(₹ in Lakhs)	
		As at 31 st March 2019	As at 31 st March 2018
Financial Assets			
Trade Receivables	USD (\$)	5.12	5.60
	EURO (€)	0.01	-
Loans to subsidiaries	USD (\$)	1.18	0.17
	GBP (£)	0.37	0.18
Other Current Assets			
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.81	0.00
Financial Liabilities			
Trade Payable	USD (\$)	1.10	0.19
	LKR (Rs)	10.11	-
	GBP (£)	0.03	-
Other Current Liabilities			
Advances received from Customers	USD (\$)	0.01	0.00

28 Financial Instruments

(i) Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates. The Group's exposure to the risk of changes in market interest rates primarily to the Group's long-term debt obligations.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	Interest impact (pre tax)			
	Year ended 31 st March'19		Year ended 31 st March'18	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	3.52	(3.52)	9.53	(9.53)
Impact on total equity as at the end of the reporting Year	3.52	(3.52)	9.53	(9.53)

c) Foreign Currency risk

The Group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Group analyses currency risk as to which balances are outstanding in currency other than the functional currency of the Group. The management has taken a position not to hedge this currency risk. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits and loans given, investments and balances at bank.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected credit loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Trade receivables (Unsecured)		
over six months	469.94	427.17
less than six months	13,397.49	13,629.94
Total	15,902.18	14,057.11

e) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provided adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

Particulars	(₹ in Lakhs)			
	As at 31 st March'19		As at 31 st March'18	
	Due in 1 year	Due in 2 - 3 years	Due in 1 year	Due in 2 - 3 years
Financial Liabilities				
Trade Payable and other financial liabilities	23,291.83	-	21,748.59	-
Borrowings	-	37.73	-	212.66
Total	23,291.83	37.73	21,748.59	212.66

*Current maturities of borrowings forms part of other financial liabilities. Hence, same is not considered separately in borrowings.

(ii) Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

Gearing ratio

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

Particulars	(₹ in Lakhs)	
	As at 31 st March 2019	As at 31 st March 2018
Debt		
Long Term Borrowings (Including Current Maturity of Long Term Debts)	523.75	1,510.19
Short Term Borrowings	19,688.11	18,581.63
Cash & Bank Balances	(157.70)	(130.37)
Total debt (A)	20,054.16	19,961.44
Equity		
Equity Share Capital	2,718.22	2,718.22
Other Equity	54,453.09	46,624.95
Total equity (B)	57,171.31	49,343.17
Net Debt to Equity Ratio (A/B)	35%	40%

29 Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

(a) Assets taken on Operating Lease:

The Group has taken office premises and furniture and fixtures under lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee.

The total future minimum lease payments under the operating lease are as under :

Particulars	(₹ in Lakhs)	
	As at 31 st March 2019	As at 31 st March 2018
Minimum lease payments :		
Not later than one year	97.27	97.27
Later than one year but not later than five years	151.43	248.69

(b) Assets given on Operating Lease

The Company has given part of its building property under operating lease agreement. The initial term of the lease is for 3 years. The lease rental revenue for the year is ₹ 24.83 Lakhs (₹ 39.72 Lakhs).

30 Financial Details of Subsidiaries, Associate Companies and Joint Ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in Lakhs)

Part "A": Subsidiaries

Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (in ₹)	Capital	Reserves	Total Assets	Total Liabilities	Investments included in Total Assets	Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend
1	Shemaroo Entertainment Inc. (USA)	USD	69.12	7	(0.22)	2.35	2.35	-	-	(2.92)	-	(2.92)	NIL
2	Shemaroo Entertainment (UK) Private Limited	GBP	90.21	32	(69.10)	1.94	1.94	-	-	(18.18)	-	(18.18)	NIL
3	Canopy Entertainment Private Limited	INR	1.00	100	(11.79)	88.21	88.21	-	-	(3.63)	-	(3.63)	NIL
4	Contentino Media LLP	INR	1.00	1	604.33	714.82	714.82	-	918.64	(146.24)	-	(146.24)	NIL
5	Shemaroo Think Tank Entertainment LLP	INR	1.00	1	42.40	43.76	43.76	-	1,140.00	(52.69)	-	(52.69)	NIL
6	Shemaroo Media & Entertainment LLC	USD	69.12	35	(119.58)	8.88	8.88	-	-	(120.73)	0.35	(121.08)	NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/ Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No of Shares	Amount of Investment in Associates/ Joint Venture				Considered in Consolidation	Not Considered in Consolidation
1	Vistaas Digital Media Private Limited	31 st March, 2019	45,000	1,062	Strategic investment	Shemaroo Entertainment Limited is holding only as an strategic investment and does not exercise management control	20.01	(22.56)	NIL

31 Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the financial year 2018-2019

Name of the entity	Net Assets, i.e., Total Assets Minus Total Liabilities		Share of profit or loss		Share in other comprehensive income		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Shemaroo Entertainment Limited	99.24%	56,327	103.81%	8,611.47	97.55%	38.39	103.78%	8,649.87
SUBSIDIARIES								
INDIAN								
Canopy Entertainment Private Limited	0.16%	88.21	-0.04%	(3.63)	0.00%	-	-0.04%	(3.63)
Contentino Media LLP	0.69%	393.46	-1.15%	(95.05)	0.00%	-	-1.14%	(95.05)
Shemaroo Think Tank Entertainment LLP	0.08%	43.40	-0.64%	(52.69)	0.00%	-	-0.63%	(52.69)
FOREIGN								
Shemaroo Entertainment Inc. (USA)	-0.03%	(14.92)	-0.04%	(2.92)	0.00%	-	-0.04%	(2.92)
Shemaroo Entertainment (UK) Private Limited	-0.06%	(36.62)	-0.22%	(18.18)	2.45%	0.96	-0.21%	(17.22)
Shemaroo Media & Entertainment LLC	-0.15%	(85.02)	-1.46%	(120.73)	-	-	-1.45%	(120.73)
ASSOCIATES								
Vistaas Digital Media Private Limited	0.07%	40.02	-0.27%	(22.56)	0.00%	-	-0.27%	(22.56)
Total	100%	56,755.53	100%	8,295.70	100%	39.36	100%	8,335.05

32 Additional information to financial statements

32.1 Approval of financial statements

Financial statements were approved by Board of Directors on 13th May 2019 for adoption.

32.2 Segment Reporting

The Group has identified "Entertainment" as the only primary reportable business segment and hence business segment disclosure as per IND AS - 108 is not applicable. The Group operates in India and rest of the world.

32.3 Events after Reporting Period

Dividend on equity shares is approved by the Board of Directors in their meeting held on 13th May'19, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend Distribution Tax thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Proposed dividend on equity shares for the year ended 31st March'19: ₹ 1.65 per share and the cash flow including Dividend Distribution Tax aggregates to ₹ 540.70 lakhs.

32.4 Details of Loans given, investment made and Guarantee given covered under section 186(4) of the Companies Act,2013.

- (a) Loan given by company to body corporate as at 31st March'19. (Refer note 8(c) of standalone financials)
- (b) Investment made by the company as at 31st March'19. (Refer note 5(a))
- (c) No Guarantee has been given by the company as at 31st March'19.

32.5 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	31-Mar-2019	31-Mar-2018
Disputed Direct Tax Demands	45.69	19.46
Disputed Indirect Tax Demands	408.50	159.49
Legal Cases against the Group	122.60	144.58
Bill of exchange discounted with Bank	675.00	1,350.00
	1,251.79	1,673.54

The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

32.6 Corporate Social Responsibility (CSR)

CSR amount required to be spent as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof by the Company during the year is ₹ 192 Lakhs and company has spent ₹ 194 Lakhs.

32.7 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is ₹ 174.68 Lakh during 2018-19 (Previous year 2017-18 Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

32.8 Custom duty and interest thereon aggregating ₹ 106.90/- Lakhs, is paid under protest in the Financial Year Ended 31.03.2008. The same is included in Other Non-Current Assets.

32.9 Disclosure under IND-AS - 108

For FY 2018-2019, revenue from top 1 customer accounted for ₹ 11,231 Lakhs. For FY 2017-2018, revenue from top 2 customers accounted for ₹ 16,992 Lakhs accounted for more than 10% of the revenues.

32.10 An amount of ₹ 3.37/- Lakhs grouped under other financial liabilities in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company which is held and maintained by HDFC Bank Limited, Refund Bankers to the IPO.

32.11 Prior Year Comparatives

Previous year's figures are regrouped, rearranged, or recast wherever necessary to conform to this year's classification.

As per our report of even date.

For M. K. Dandeker & Co.

Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai

Partner
Membership No.: 223754
Place: Mumbai
Date: 13th May 2019

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755
Place: Mumbai
Date: 13th May 2019

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194



SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

Regd. Office: Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai –400059,

Tel:+91 22 4031 9911; **Facsimilie:**+91 22 28519770;

Email: investors_services@shemaroo.com | **website:** www.shemarooent.com

NOTICE

Notice is hereby given that the 14th (Fourteenth) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Tuesday, September 24, 2019, at 04:00 P.M. at M. C. Ghia Hall (Royal Banquet), 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2019 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. Raman Maroo (DIN: 00169152), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Dr. CA Reeta Bharat Shah (DIN: 07141304) as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and Dr. CA Reeta Bharat Shah (DIN:07141304), Independent Non-Executive Director of the Company whose current period of office is expiring on March 27, 2020 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies

Act, 2013, Rules made thereunder and Listing Regulations, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. March 28, 2020 upto March 27, 2025.

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

5. **Appointment of Mr. Jai Buddhichand Maroo (DIN: 00169399) as Executive Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Articles of the Company read with Section 152, 196 & 197 of the Companies Act 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made thereunder and Schedule V of the said Act, approval of the Company be and is hereby accorded to the appointment of Mr. Jai Maroo (DIN: 00169399) as Executive Director of the Company, for a period of 5 (five) years with effect from May 13, 2019, on such terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Jai Maroo, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to the special business to be transacted at the AGM and the profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing and Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations") are annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. Members / Proxies / Authorized Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
7. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 18, 2019 to Tuesday, September 24, 2019 (both days inclusive) for determining the names of members eligible for final dividend on Equity Shares, if declared at the Meeting.
8. The Final Dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Tuesday, September 24, 2019 (within the statutory time limit of 30 days).
9. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime (India) Private Limited (LI IPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LI IPL.
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to LI IPL.
12. In terms of Section 101 and 136 of the Companies Act, 2013 read together with relevant Rules made thereunder, the Notice of AGM, Annual Report, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose e-mail address are registered with the Company / Depository Participant(s), unless a member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the documents are being sent by the permitted mode.
13. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Depository Participant(s) / LI IPL.
14. Members may also note that the Notice of this AGM and the Annual Report 2018-19 of the Company is posted on the Company's website www.shemarooent.com. All the documents referred in the accompanying Notice will be available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m and 1.00 p.m. up to the date of AGM.
15. The Ministry of Corporate Affairs has notified Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, provisions relating to transfer of unclaimed amounts to the IEPF. IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years or

more to an IEPF Demat Account. Hence, the Company urges all the shareholders to claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company are available on the website of the Company www.shemarooent.com and on Ministry of Corporate Affairs' website.

16. Members who wish to obtain further information on the financial statements for the year ended March 31, 2019, may send their queries at least 7 days before the AGM to the Company Secretary / Compliance Officer of the Company at the registered office of the Company or at investor_services@shemaroo.com.
17. Members are requested to address all correspondence to the Registrar and Share Transfer Agents at the following address:

LINK INTIME (INDIA) PRIVATE LIMITED
(Unit: Shemaroo Entertainment Limited)
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083
Tel No: +91 22 49186000 Fax: +91 22 49186060
18. Route map showing directions to reach the venue of the 14th AGM is given at the end of this Notice.
19. The Company has appointed Mr. Manish L. Ghia of M/s. Manish Ghia & Associates, Practicing Company Secretaries (Membership No. FCS 6252), to act as the Scrutinizer, to scrutinize the entire voting and remote e-voting (including ballot form received from the Members who do not have access to the e-voting process), in a fair and transparent method.
20. The Company is providing the facility of ballot form, as annexed, in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. Duly completed Ballot form shall be send to the Scrutinizer appointed by the Board of Directors of the Company, at the Registered Office of the Company not later than September 23, 2019 (05:00 p.m.). Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 17, 2019 have the option to download the same from the website of the company or request for physical copy of the Ballot form by sending an email to investors_services@shemaroo.com by mentioning their Folio No. / DP ID and Client ID No. The Ballot form received after September 23, 2019 (05:00 p.m.) will be treated as invalid.
21. Facility of voting through Poll paper shall be made available at the AGM. The members who have not casted their vote either electronically or through Ballot Form, can exercise their voting rights at the AGM. The Members who have cast their vote by remote e-voting / ballot form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

22. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of the SEBI Listing Regulations, the Company is pleased to provide members facility to exercise their vote at the 14th AGM by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting), from a place other than the venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the business as detailed in the notice. The remote e-voting facility shall commenced from September 21, 2019 at 09.00AM and end at September 23, 2019 at 05.00 PM.

The instructions for voting through electronic means are as under:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below:
 - a. **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b. **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c. **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve

- your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of the Company.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail (scrutinizer@mgconsulting.in) to with a copy marked to evoting@nsdl.co.in and investors_services@shemaroo.com
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on.: 1800 222 990.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

Registered Office:

Shemaroo House, Plot No. 18,
Marol Co-op. Industrial Estate,
Marol Naka, Off. Andheri Kurla Road,
Andheri (E), Mumbai – 400 059

Mumbai,
May 13, 2019

By Order of the Board of Directors

Dipesh U. Gosar

Company Secretary & Compliance Officer
(ACS No.: 23755)

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4:

Dr. CA Reeta Bharat Shah (DIN:07141304) was appointed as an Independent Non - Executive Director of the Company by the members at the AGM of the Company held on September 21, 2015 for a period of five consecutive years commencing from March 28, 2015 upto March 27, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

DR. CA Reeta has immense experience in the field of education and administration in various capacities. She is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics. Considering her background, experience and contributions made by her during the tenure, her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of DR. CA Reeta as an Independent Director.

Based on the outcome of performance evaluation, recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. CA Reeta Bharat Shah, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from March 28, 2020 upto March 27, 2025 and that while holding such office she shall not be subjected to retirement by rotation.

The required disclosures as per the Secretarial Standards (SS-2) and Regulation 36(3) of the Listing Regulations, is provided at **Annexure A** of this Notice.

The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members at the Registered Office of the Company on all working days between 02:00 p.m. and 4:00 p.m. except Saturdays and Sundays up to the date of the Annual General Meeting.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for your approval.

Except DR. CA Reeta Shah, none of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution as set out at Item No. 4 of the Notice.

Item No. 5:

Mr. Jai Buddhichand Maroo (DIN:00169399) was appointed as Non-Executive Director of the Company at the Board meeting held on May 26, 2008 and during his tenure, he has catalyzed Shemaroo's expansion on digital distribution platforms such as Mobile, Internet, OTT and so on.

Now, Mr. Jai Maroo has shown his willingness to act as Executive Director of the Company with a clear vision to strengthen the Organization for the next phase of growth, where he will be focusing on organizational transformation & excellence to achieve the scripted goals of the Company.

Based on the outcome of performance evaluation, recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 13, 2019, has approved the change in designation of Mr. Jai Maroo from non-executive director to executive director and appointed him as Executive Director of the Company for the term of 5 years with effect from May 13, 2019 on the terms and conditions as specified below, subject to approval of members.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Jai Maroo are as under:

A. Tenure of Appointment:

The appointment of the Executive Director is for period of five years with effect from May 13, 2019.

B. Salary:

Rs. 2,00,000/- per month in the scale of Rs. 2,00,000/- to Rs 8,00,000/-

The annual increments will be effective from 1st April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.

C. Perquisites:

- i. Rent-free residential accommodation (furnished / non – furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses / allowances for

utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not, exceed for each financial year, his annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- ii. The Company's contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.

D. Commission:

In addition to the salary, perquisites and allowances as set out above, Mr. Jai Maroo shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.

E. Minimum Remuneration:

If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, the Company may pay remuneration by way of salary, perquisites, allowances and commission subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.

F. Reimbursement of Expenses:

Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company's business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

The details of the terms and conditions of the appointment are set out in the draft Agreement referred to in the resolution under Item No. 5 of the Notice. The Agreement will remain open for inspection by the members at the registered office of the Company on all working days between 02:00 p.m. and 4:00 p.m. except Saturdays and Sundays up to the date of the Annual General Meeting.

The required disclosures as per the Secretarial Standards (SS-2) and Regulation 36(3) of the Listing Regulations, is provided at **Annexure A** of this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Except Mr. Jai Maroo, Mr. Buddhichand Maroo, Ms. Smita Maroo and M/s. Technology and Media Group Pte. Ltd., none of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution.

Disclosures under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards SS-2 of ICSI:

Annexure A

Name of Director	Mr. Raman H Maroo	Dr. CA Reeta Bharat Shah	Mr. Jai B Maroo
DIN	00169152	07141304	00169399
Date of Birth	December 06, 1950	September 08, 1967	September 09, 1973
Nationality	Indian	Indian	Indian
Date of appointment on Board	December 23, 2005	March 28, 2015	May 26, 2008
Qualifications	Higher Secondary Class studied from Mumbai	Ph. D from IIT Bombay; Member of ICAI; Master's in philosophy from Madurai Kamraj university; Master's in commerce from Pune University; Master's in Business Administration (HRM) from ITM & Southern New Hampshire University; Bachelor's of Law (General) from University of Mumbai and Bachelor's of Commerce (Hons.) from University of Mumbai.	Master's degree in computer science and Engineering from Pennsylvania State University, U.S.A.; Graduate Degree in Computer Engineering from the University of Mumbai
Nature of expertise & experience	Mr. Raman Maroo has been associated with the Group since 1974. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led the Company's growth for many years. He started acquiring Film Rights, for Home Video, Cable and Satellite distribution. He has always remained the driving force in the Company, taking it into new directions. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He is a Director on the Board of several companies. Mr. Raman Maroo has approximately 45 years of business experience, out of which, he has been associated with the Media and Entertainment industry for approximately 36 years.	Dr. CA Reeta Bharat Shah has over 31 years of experience in the field of Education and Administration in various capacities. She is presently a Head of Department (Accountancy) at SIES College of Commerce & Economics and is also the management faculty at various other renowned management colleges. With a strong expertise in technical matters she has written articles in various magazines / books and is a regular speaker, Tedx speaker, growth strategist, panel member and trainer at various conferences and seminars by ICAI, Cultural Committees and other Academic Institutions.	Mr. Jai Maroo has numerous years of experience in the technology industry in USA and Singapore and approximately 16 years of experience in the Media and Entertainment industry. At Shemaroo, he is solely responsible for the Company's transition to a digital media house. He has catalyzed the team to expand the Company's reach on digital distribution platforms like IPTV, VOD and Mobile. He is steering the organisation Transformation & Excellence Portfolio for the Company. He has been a speaker on several national and international forums on technology and media-related topics.

Name of Director	Mr. Raman H Maroo	Dr. CA Reeta Bharat Shah	Mr. Jai B Maroo
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	1. Brother of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Brother of Mr. Atul Maru (Jt. Managing Director) 3. Father of Ms. Mansi Maroo (KMP of the Company)	Nil	1. Son of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Spouse of Ms. Smita Maroo (KMP of the Company)
Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 3 of the Notice read with explanatory statement thereto.	As per the resolution at Item No. 4 of the Notice read with explanatory statement thereto.	As per the resolution at Item No. 5 of the Notice read with explanatory statement thereto.
Remuneration last drawn (commission and sitting fees)	Rs. 52.90 Lakhs per annum	Rs. 100,000/- as Sitting Fees for the Financial year 2018-19.	Rs. 100,000/- as Sitting Fees for the Financial year 2018-19.
Remuneration proposed to be paid	As per the existing terms and conditions and in accordance with the provisions of Companies Act, 2013	As per the existing terms and conditions and in accordance with the provisions of Companies Act, 2013	As per the terms and conditions and in accordance with the provisions of Companies Act, 2013
No. of meetings of the Board attended for the period from April 2018 till date	7 Meetings	7 Meetings	7 Meetings
List of Directorships held in other Companies excluding foreign, private and Section 8 Companies)	Talwalkar Bettervalue Fitness Limited	-	-
M e m b e r s h i p s / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Shemaroo Entertainment Limited	Talwalkar Bettervalue Fitness Limited Audit Committee-Member	Shemaroo Entertainment Limited Stakeholders Relationship Committee-Chairman	-
No. of shares held in the Company	48,09,520 Equity Shares	-	12,34,200 Equity Shares



SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

Regd. Office: Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai -400059,

Tel:+91 22 4031 9911; **Facsimile:**+91 22 28519770;

Email: investors_services@shemaroo.com | **website:** www.shemarooent.com

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

14TH ANNUAL GENERAL MEETING ATTENDANCE SLIP

NAME OF THE MEMBER: _____

ADDRESS: _____

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

I hereby record my presence at the FOURTEENTH (14th) ANNUAL GENERAL MEETING of the Company, at **M. C. Ghia Hall, (Royal Banquet) 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai - 400 001 at 04:00 p.m. on Tuesday, September 24, 2019.**

Name of the shareholder / proxy*	Signature of the shareholder / proxy*

*Strikeout whichever is not applicable

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SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

Regd. Office: Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai -400059,

Tel:+91 22 4031 9911; **Facsimilie:**+91 22 2851 9770;

Email: investors_services@shemaroo.com | **website:** www.shemarooent.com



PROXY FORM

Form No. MGT. 11

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered address : _____

Email ID : _____

Folio No. / DP ID - Client ID : _____

I/We, being the member(s) of _____ shares of SHEMAROO ENTERTAINMENT LIMITED, hereby appoint:

1. Name: _____ Address: _____

Email ID: _____ Signature: _____ or failing him/her

2. Name: _____ Address: _____

Email ID: _____ Signature: _____ or failing him/her

3. Name: _____ Address: _____

Email ID: _____ Signature: _____

as my / our proxy to attend and vote for me/us on my/our behalf at the 14th (Fourteenth) Annual General Meeting of the Company to be held on Tuesday, September 24, 2019, at 04:00 p.m. at **M. C. Ghia Hall (Royal Banquet), 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai - 400 001**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Directors and the Auditors' Report thereon.		
2. Declaration of final dividend		
3. Re-appointment of Mr. Raman Maroo (DIN: 00169152) liable to retire by rotation.		
4. Re-appointment of Dr. CA Reeta Bharat Shah (DIN: 07141304) as an Independent Director of the Company.		
5. Appointment of Mr. Jai Buddhichand Maroo (DIN: 00169399) as Executive Director of the Company.		

Signed this _____ day of _____, 2019

Signature of proxy holder(s)

Signature of Shareholder

Affix
Revenue
Stamp of
₹ 1

Note:

- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



ROUTE MAP FOR 14TH ANNUAL GENERAL MEETING VENUE





INDIA KHUSH HUA

www.shemarooent.com