



Ref No.: SEL / Reg. 34- LODR/Oct-2017 / 01

October 03, 2017

**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,

Re: SHEMAROO ENTERTAINMENT LIMITED - ISIN: INE363M01019

Sub: Regulation 34 of the SEBI (LODR), Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2016-17 duly approved and adopted by the members.

This is for your information and records.

Thanking you,

Yours faithfully,

For Shemaroo Entertainment Limited

Dipesh



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

Encl: A/a



BUILT TO THRIVE

**SHEMAROO ENTERTAINMENT LIMITED
ANNUAL REPORT 2016-2017**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Buddhichand Maroo
DIN: 00169319
Chairman

Mr. Raman Maroo
DIN: 00169152
Managing Director

Mr. Atul Maru
DIN: 00169264
Jt. Managing Director

Mr. Hiren Gada
DIN: 01108194
Whole Time Director & Chief Financial Officer

Mr. Jai Maroo
DIN: 00169399
Non-Executive Director

Mr. Gnanesh Gala
DIN: 00093008
Independent Director

Mr. Kirit Gala
DIN: 01540274
Independent Director

Mr. Vasanji Mamanja
DIN: 00013071
Independent Director

Mr. Shashidhar Sinha
DIN: 00953796
Independent Director

DR. CA Reeta Bharat Shah
DIN: 07141304
Independent Woman 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

Bank of India
State Bank of India
N.K.G.S.B. Co-op. Bank Limited
HDFC Bank Limited
Deutsche Bank A.G.
Yes Bank Limited
The Federal Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited,
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083.
Tel No.: +91-22-4918 6000
Fax No.: +91-22-4918 6060
Website: www.linkintime.co.in/
Email: mumbai@linkintime.co.in

REGISTERED OFFICE

Shemaroo House, Plot No.18, Marol Co-op. Indl. Estate,
Off. AndheriKurla Road, Andheri (East),
Mumbai -400 059
Tel.: +91-22-40319911
Fax: +91-22-40319794
Website: <http://www.shemarooent.com/>
Email: shemaroo@shemaroo.com

CORPORATE IDENTITY NUMBER

L67190MH2005PLC158288

Gary Hamel, one of the world's most influential business thinkers, once said, "The world is accelerating change; innovation is the only insurance against irrelevance". Shemaroo Entertainment Limited is one of the few media & entertainment companies to have adapted themselves to the changing business environment and circumstances. The company has created a unique business model that is truly **"BUILT TO THRIVE"**.

Backed by its strong culture and formidable leadership, the company has flourished and become an established filmed entertainment content house. Shemaroo is known for its vast and diverse content library, and the company's activities span across the areas of content aggregation, value addition to content and content distribution. Today, the Shemaroo brand is synonymous with quality entertainment. The company has adapted to changing content consumption patterns by expanding into allied activities such as content aggregation and distribution across various media platforms including Television (satellite, terrestrial and cable television), New Media (such as mobile, internet and OTT) and Home entertainment.

Shemaroo has carved out its place in the industry by building its movie library syndication business, acquiring movie titles from producers and distributing these to multiple media platforms. It has steadily built this business and has begun to capitalise on its pioneering position. The company typically participates in the second and subsequent cycles of film monetization. The risk associated with these subsequent cycles is low as compared to the first cycle, caused by the higher predictability of earnings. Further, the revenue brought in by these subsequent cycles has been steadily growing due to various factors such as increasing advertising spends and digitization, among others. The company quantifies the cost of the content after it is confident about achieving the desired return on investment at the portfolio level. Shemaroo then distributes this content over different platforms including broadcasting channels and new media platforms.

The company prides itself on the fact that most Bollywood content requiring services will turn to Shemaroo for at least some of their content. In keeping with consumers' tastes and preferences, the company has built a robust content library comprising over **3,585 titles**, which include Hindi films, regional content across diverse languages such as Marathi, Gujarati, Punjabi and Bengali, music, New Media-focused content and other non-film content.

Content Library as of April 30th, 2017

Sr. No.	Types of Content	Perpetual Titles	Limited Ownership Titles	Total Number of Titles
1.	Hindi films	443	1,423	1,866
2.	Regional Titles	456	984	1,440
3.	Special Interest Content	49	230	279
	Total	948	2,637	3,585

The company has been consciously strengthening its team by hiring senior-level executives to further enhance its capabilities. Today, Shemaroo is one of the largest organized players in the highly fragmented content aggregation space. Its innovative business model has made the company a very relevant player and has positioned it favourably to ride the growth wave in the Indian media and entertainment sector.



In her acclaimed novel, *The Fountainhead*, Ayn Rand writes, **“I don’t build in order to have clients. I have clients in order to build”**. Shemaroo’s primary business has been to acquire film content from various producers and then syndicate these to the traditional media platforms like broadcasters as a bouquet. With its vast content library, the company has created high dependence on itself for access to these titles by traditional media channels, clearly indicating that the company’s traditional media business vertical is **“BUILT TO THRIVE”**.

Shemaroo has been a trusted partner for traditional media platforms such as broadcasters by providing them compelling content while also offering better monetization opportunities to production houses. The company’s syndication business adds significant value to the traditional media ecosystem through legal, technical and commercial value-additions, thereby creating a favourable situation for all involved.

With the launch of new movie broadcasting channels, the requirement for titles continues to increase. Additionally, the advent of digitisation is expected to increase revenues for broadcasters, which will ultimately result in increased spends on content.

With Broadcast Audience Research Council (BARC) reporting rural viewership for the very first time, the industry witnessed a significant change. Consequently, there was clearly an increase in the number of Free To Air (FTA) channels across categories, including the Hindi movie genre. Today, rural television viewership contributes roughly 52% of total television viewership. This has presented an opportunity to broadcasters and advertisers alike to target rural markets through FTA channels. Shemaroo also partnered with major DTH and cable operators through the year to launch subscription-based, ad-free content services across various genres such as movies, devotion, comedy and regional.



The father of Modern Physics, Albert Einstein once said, “A ship is always safe at the shore but that is not what it is built for”. With the advent of New Media, Shemaroo became one of the first companies to recognize the enormous opportunities that this medium would bring. The company acted quickly to acquire New Media rights and became one of the primary partners for providing content across various new media platforms, thereby gaining first mover advantage. Today, Shemaroo is already one of the largest content providers across most major new media platforms in India. With the rise of smart phones and internet penetration, the company’s New Media business is surely **“BUILT TO THRIVE”**.

Shemaroo works with various New Media platforms to provide substantial and compelling movie library content across genres. This provides robust monetisation avenues through the sale of movie rights. These rights are provided on fixed fee or revenue-share models to New Media platforms, which then monetise the same with the help of pay-per-view, subscription-based or advertisement-supported business models. The company’s expansive content bank has a prominent presence on major digital platforms including YouTube, Hotstar, Reliance Jio, Hooq, Apple iTunes, Google Play, Vuclip and Spuul.

This financial year, a new telecom player, Reliance Jio launched its services in India, offering customers free data for the first few months. This resulted in a substantial increase in viewership across various New Media platforms and primarily on advertisement-supported platforms such as YouTube. Shemaroo received upwards of 300 million views across all its YouTube channels in the month of March 2017.

During the year, Shemaroo entered the Limca Book of Records for the ‘First and Longest Antakshari on Twitter’, and went on to break the record for ‘Most Tweets in a Day to the Public’ for its digital campaign titled #FilmiGaaneAntakshari. #FilmiGaaneAntakshari is an initiative by Shemaroo’s multimedia platform ‘Filmigaane’ and is also the first-of-its-kind digital campaign designed to engage audiences to relive the beautiful retro era. The campaign also won few awards including the prestigious ‘India Digital Awards’ organized by Internet and Mobile Association of India (IAMAI) in the category of Social Media Marketing Campaign and the ‘Gold Abby’ at the Goa Fest 2017 organized by The Advertising Club Bombay and Advertising Agencies Association of India. Also during the last year, Shemaroo’s YouTube channel, Filmigaane, crossed the 1 billion cumulative views-mark.

The founder of Amazon.com, Jeff Bezos, said, **“When the world changes around you and when it changes against you – what used to be a tail wind is now a head wind – you have to lean into that and figure out what to do, because complaining isn’t a strategy”**. The Financial Year 2016-17 was one such year with various industry shaking events. Even in such a volatile scenario, Shemaroo delivered around 45% revenue growth in its New Media vertical, around 4% revenue growth in its Traditional Media vertical and an overall 14% revenue growth versus the previous year. More importantly the company’s Operating Profit grew by 20% and Profitability grew by 18% versus the previous year clearly indicating that the business model is strong enough to face any industry head winds and is **“BUILT TO THRIVE”** even in volatile times.

In November 2016, the Government of India took the bold step of demonetizing INR 500 and INR 1,000 currency notes in India. The goal was to curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity. Like most other sectors, the media sector was negatively impacted by the overall postponement of discretionary spends on advertising across media platforms.

Also, after multiple extensions, the deadlines for cable industry digitisation of Phase III and IV were postponed again. At present, digitisation of Phase III is almost complete. Although the deadline for Phase IV has elapsed, the situation on ground has not been very encouraging. The process of digitisation has been long-drawn and arduous; however, as the digitisation phases are completed, Shemaroo will stand to gain from the improved cash flows for broadcasters, which, in turn, will be utilised for content acquisition.

On a positive note, this year also saw the entry of various new OTT platforms in India, with players such as Netflix, Amazon Prime, Vuclip and many others entering the Indian digital entertainment space. Additionally, leading broadcast networks, production houses and content owners also launched OTT platforms, creating more avenues for a company like Shemaroo to monetise its content.



MD'S MESSAGE

Dear Shareholders,

The Financial Year 2016-17 has been one of the most definitive in terms of the future of the Indian Media and Entertainment (M&E) industry.

Financially the company had an overall healthy performance considering the volatile economic and industry scenario. Our Revenues grew around 14% from the previous year to INR 4,255 Mn, our EBITDA grew by 20% year on year to INR 131 Mn, with the EBITDA Margins improving by 150 Bps against last year to 30.5%. Also we clocked an 18% growth in our profitability Year on Year at INR 615 Mn.

Our New Media business continued its growth trajectory, with revenues swelling by 45% versus the previous year, to INR 923 Mn. Our strong performance underscores our vision and commitment to scaling up our revenues from digital media. We are at an exciting juncture in the evolution of the digital space, and with our vast library, we intend to make the most of this opportunity. To maintain the momentum of our growth trajectory in this business, we will look to further explore and monetise our content on various upcoming platforms. Improvements in technology and infrastructure continue to contribute to scaling up our revenue from digital platforms. This year, we also entered the Limca Book of Records for the 'First and Longest Antakshari on Twitter' and also broke the record for the 'Most Tweets in a Day to the Public' on Twitter, for our digital campaign #FilmiGaaneAntakshari.



Raman Maroo - Managing Director

On the Traditional Media front, the company experienced marginal growth even after the unexpected demonetisation event, which caused a temporary disruption across most sectors of the Indian economy. The effect was especially noticeable to companies in the media and entertainment industry, including us, as most corporate advertisement spend budgets were cut down or delayed due to the impacted buying patterns of the end consumer. At the same time, it must be noted that recovery in the ad spends started to come in by the end of the fourth quarter. Our strategy in Traditional Media will be to continue leveraging the strength of our library based on the strong relationships we have developed across the industry. The quality and quantity of Shemaroo's content library allows us to work with most players in the distribution space.

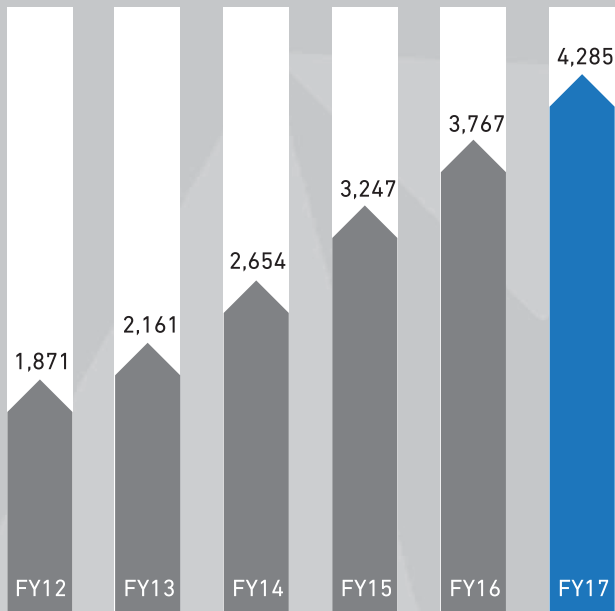
Looking ahead, the future of the M&E industry is more keenly focused on the word 'digital'. The smartphone is manifesting itself as a powerful medium to bridge the content consumption divide across socio-economic classes and categories. With the continued government push towards digital consumption and payments, improving telecommunication infrastructure, and the launch of large market disruptive players such as Reliance Jio, the mass adoption of technology is a foregone conclusion.

In conclusion, with a young, talented and passionate team at Shemaroo, we continue to be very excited and confident about the future growth prospects of our company. We believe we are better placed today than ever before to garner the immense growth opportunity in our industry.

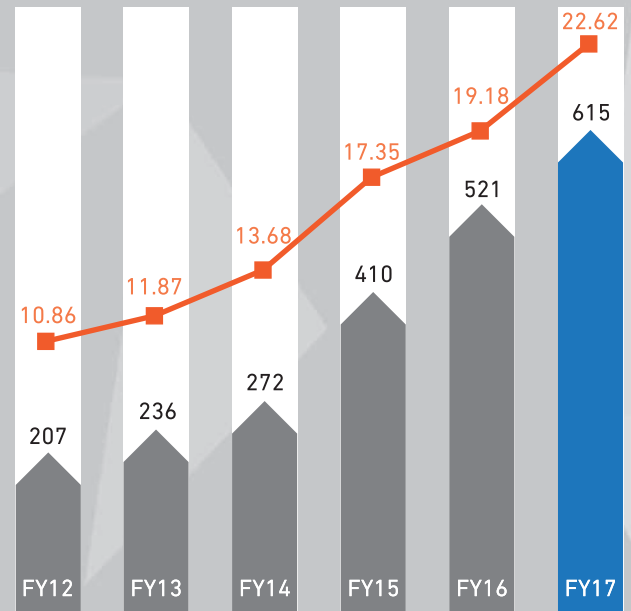
**Sincerely,
Raman Maroo**

KEY CONSOLIDATED FINANCIAL HIGHLIGHTS

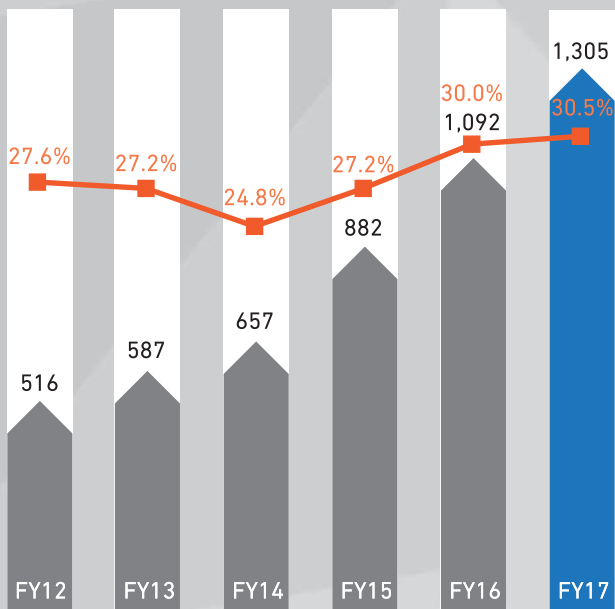
TOTAL INCOME (INR mn)



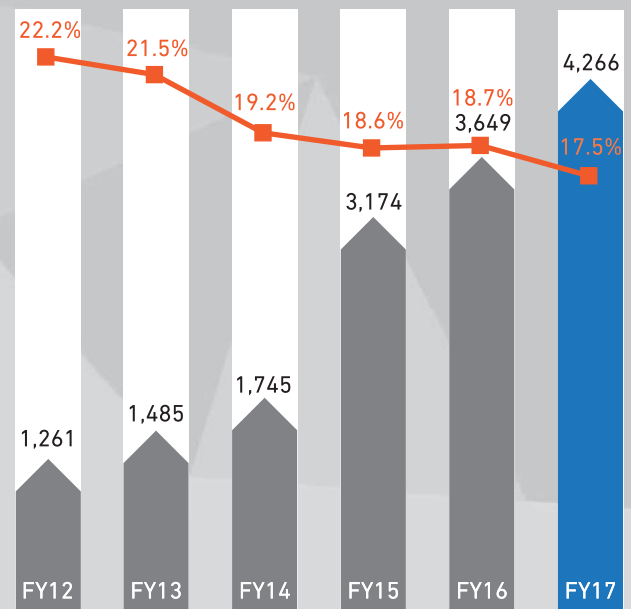
PAT (INR mn) and EPS



EBITDA (INR mn) & EBITDA Margin (%)



Networth (INR mn) and RoCE



BOARD OF DIRECTORS

Mr. Buddhichand Maroo - Chairman

He is founder of Shemaroo Entertainment Limited and has been associated with the company since 1962. 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 55 years, out of which, he has been associated with Media and Entertainment Industry for around 34 years.

Mr. Raman Maroo - Managing Director

He has an experience of approximately 43 years, out of which he has spent around 34 years in Media and Entertainment Industry. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into an established filmed entertainment content house. He has always remained the driving force in the Company, taking it into new directions.

Mr. Atul Maru - Joint Managing Director

He has around 37 years of experience in the Media and Entertainment industry. He has managed the transition of the Company from VHS days to today's multi-platform operations. 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 - Whole Time Director & CFO

He has approximately 21 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for around 14 years. 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, best industry practices, etc. He handles the Strategy and Finance functions in 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 - Non-executive Director

He holds a Masters 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 experience in the technology industry in USA and Singapore and approximately 14 years of experience in the Media and Entertainment industry. Given his strong technical background, he has catalyzed Shemaroo's expansion on digital distribution platforms such as Mobile, Internet, OTT and so on.

Mr. Gnanesh Gala - Independent Director

He has around 34 years of experience in the Educational Publishing Industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 22 years and presently the Managing Director of the said company.

Mr. Vasanji Mamania - Independent Director

He has around 55 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Non-ferrous 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 a B.Tech from IIT Kanpur and is a post graduate from IIM Bangalore, India. He has over 32 years of experience in media and advertising. He is presently the CEO of Lodestar UM India. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAI's – Indian Broadcasting Federation joint body on industry practices, Audit Bureau of Circulation and the Joint Industry Body set up to monitor TV measurement.

Mr. Kirit Gala - Independent Director

He has completed his Masters in Business Administration and Mechanical Engineering from Mumbai University and has also completed his doctoral research in marketing at Tennessee, U.S.A. He has around 27 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. As a true strategist he is better known as a "Marketing wizard" and has already been featured in various leading Business magazines for his expertise.

DR. CA Reeta Bharat Shah - Independent Women Director

She has over 29 years of experience in the field of education and administration in various capacities. 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.). DR. CA Reeta is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics.

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY OVERVIEW

The global economy is in the midst of a decade-long slow growth environment characterized by an imminent productivity growth crisis. The looming labour shortage in mature economies and skill deficiencies in emerging markets will add further challenges to global economic prospect. Global financial markets continue to face elevated levels of uncertainty notwithstanding the resilience to the outcomes of Brexit referendum and the US election.

Goldman Sachs expects global growth for 2017 to be 3.5%. The US has led this improvement by growing at 2-3% growth. Fiscal easing is also likely under the Trump administration, Europe's growth forecast is 1.5% which is consistent with the gradual labour market improvement, Japan's growth rate is in the range of 1% due to weakness in the demographics and decline in the working age population. China is expected to grow by 6.5%; however, long-term concerns remain due to the continued rapid debt growth, which has a potential to cause financial weakness. Growth is projected to pick up from 2017 onwards, almost entirely on account of developments in emerging market and developing economies. This reflects primarily two factors: the gradual normalization of macroeconomic conditions in several countries experiencing deep recessions and the increasing weight of the fast-growing countries in this group, in the world economy.

INDIAN ECONOMY OVERVIEW

India's economy is slowly gaining momentum, with an expected GDP growth of 7.3% and 7.5% in 2016 and 2017, respectively. Despite some delays in domestic policy reforms and enduring

fragilities in the banking system, investment demand is supported by the monetary easing cycle, rising FDI, and government efforts towards infrastructure investments and public-private partnerships. Economic activity is beginning to firm up after demonetization shocked the economy, resulting in massive cash shortages and economic disruptions through the economy at the end of last year; growth is expected to have slowed to a multi-year low in Q3 FY 2016. The manufacturing PMI crossed into expansionary territory in January 2017 and imports rebounded. Despite the backdrop of more moderate growth, the government stuck to a market-friendly budget for FY 2017. The budget pursued growth-supportive policies while targeting a narrower deficit of 3.2% of GDP, and was met with a positive market reaction.

MEDIA AND ENTERTAINMENT INDUSTRY

The year 2016 was a mixed bag for the Indian Media and Entertainment (M&E) industry with digital ecosystem penetrating further and opening up new avenues of consumption and revenue.

On the back of advertising growth of 11.2%, the Indian M&E industry grew at 9.1 percent in 2016. Primarily due to a lacklustre year for subscription revenues and a speed bump in advertisement revenue growth, television witnessed slower growth in 2016 at 8.5%. Due to increased marketing spends by telecom operators on the launch of 4G services and strong performance of FTA channels, the growth was steady.

The Indian media and entertainment industry: Size

Overall industry size (INR bn) (For calendar years)	2011	2012	2013	2014	2015	2016	Growth in 2016 over 2015
TV	329.0	370.1	417.2	474.9	542.2	588.3	8.5%
Print	208.8	224.1	243.1	263.4	283.4	303.3	7.0%
Films	92.9	112.4	125.3	126.4	138.2	142.3	3.0%
Digital Advertising	15.4	21.7	30.1	43.5	60.1	76.9	28.0%
Animation & VFX	31.0	35.3	39.7	44.9	51.1	59.5	16.4%
Gaming	13.0	15.3	19.2	23.5	26.5	30.8	16.2%
OOH	17.8	18.2	19.3	22.0	24.4	26.1	7.0%
Radio	11.5	12.7	14.6	17.2	19.8	22.7	14.6%
Music	9.0	10.6	9.6	9.8	10.8	12.2	13.0%
Total	728.4	821.0	918.1	1025.5	1156.5	1262.1	9.1%

Source: KPMG in India's analysis and estimates, 2016-17

The Indian media and entertainment industry: Projections

Overall industry size (INR bn) (For calendar years)	2016	2017P	2018P	2019P	2020P	2021P	CAGR (2016- 2021P)
TV	588.3	651.0	750.9	876.8	1,014.5	1165.6	14.7%
Print	303.3	325.0	350.4	378.5	405.6	431.1	7.3%
Films	142.3	155.0	166.0	178.2	191.6	206.6	7.7%
Digital Advertising	76.9	101.5	134.0	174.3	226.5	294.5	30.8%
Animation & VFX	59.5	69.5	81.2	95.5	111.9	131.7	17.2%
Gaming	30.8	37.2	44.2	52.2	60.7	71.0	18.2%
OOH	26.1	29.0	32.5	36.4	40.8	45.7	11.8%
Radio	22.7	26.4	30.7	35.9	41.5	47.8	16.1%
Music	12.2	14.0	16.3	19.0	22.1	25.4	15.8%
Total	1262.1	1408.7	1606.2	1846.7	2115.2	2419.4	13.9%

Source: KPMG in India's analysis and estimates, 2016-17

Films growth was only 3%, thus masking a decline in core revenue streams of domestic theatricals and satellite (C&S) rights. But this decline will be offset through expansion of overseas markets, increase in the depth in regional content and rise in acquisitions of digital content by Over-the-Top (OTT) platforms.

GST, which was implemented on July 1 by the central government, is likely to streamline the multiple incidences of taxes currently being levied by both the central and state governments. While the introduction of GST is likely to have varied levels of impact across the various media segments on an overall basis, the M&E industry is expected to be a net beneficiary. This is primarily due to the availability of input credits across the board and inclusion of entertainment tax within the ambit of GST.



In conclusion, while strong economic fundamentals will continue to drive growth, the Indian M&E industry is on the cusp of rapid transformation with digital media taking centre stage across all sub-sectors. Digital media, which was earlier viewed as just an additional distribution platform and touch point, is rapidly emerging as a core revenue engine.

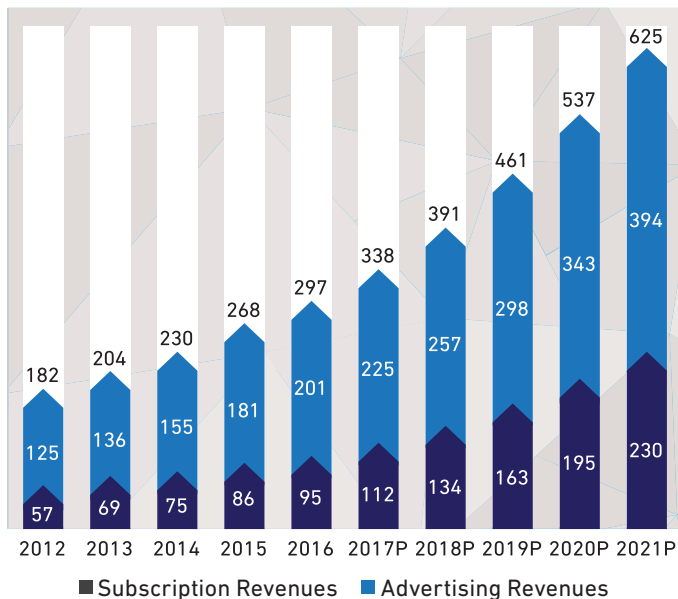
TRADITIONAL MEDIA

There has been a paradigm shift in the overall operations of the television sector due to the on-going cable digitisation; however, constant delays in set-top-box supply, seeding and challenges pertaining to addressability, gross billing, per subscriber billing, and roll out of packaging remain a major concern for stakeholders. It is now expected that digitisation will largely be completed in the calendar year 2017 with related benefits flowing through gradually, although at a slow pace based on historical indicators.

Due to demonetization, advertising revenues were impacted across television, print and radio. Estimates indicate that annual advertising growth rates for television, print and radio were adversely impacted by about 1.5 to 2.5%. However, the impact of demonetisation was short-lived: since January 2017 there has been an upswing in consumption and advertising demand, although spend levels continue to remain lower as compared to the same period in the previous year. As customers are moving towards e-payment options, demonetisation will have a positive impact for companies in the long run. It will reduce cash collection overheads and bring down bad debts. In the next six-to-eight months, major DTH operators are envisaging e-payments contributing majorly to their recharges/collections.

The long-term forecast for advertising growth in the television industry remains robust at 14.4% CAGR over 2016-21, due to strong economic fundamentals and India remaining a mass market consumption story. On the subscription growth front, the intent behind TRAI's tariff and interconnect guidelines could help alleviate some of the issues, combined with the inevitable though delayed completion of digitisation, leading to a projected 14.8% CAGR over 2016-21.

Broadcaster Industry Size (INR billion)



Source: KPMG in India's analysis based on data collected from industry discussions and secondary research. The subscription numbers take into account higher than envisaged growth for DD FreeDish in 2016 and beyond.

BARC (Urban and Rural) data was available across the entire 52 weeks for the first time in 2016. As a measurement tool for viewership BARC introduced the metric of '000 Impressions in January 2016. The coverage of rural viewership by BARC opened up whole new marketing opportunities for broadcasters and advertisers in 2016. Ratings pushed FTA GEC channels of the top broadcasters, along with DD National, in the top 10 category. This has led to ad rates for these channels increasing by about 50-70 percent during the year. The FTA channel launches were broad based, covering Hindi movies, news (Hindi and regional), music and even kids at the end of the year. A YoY comparison shows a rise in TV impressions and average time spent in rural India by 30% and 26% respectively. This is higher than the overall growth in TV impressions of 24% and in average time spent of 21%.

DIGITAL MEDIA

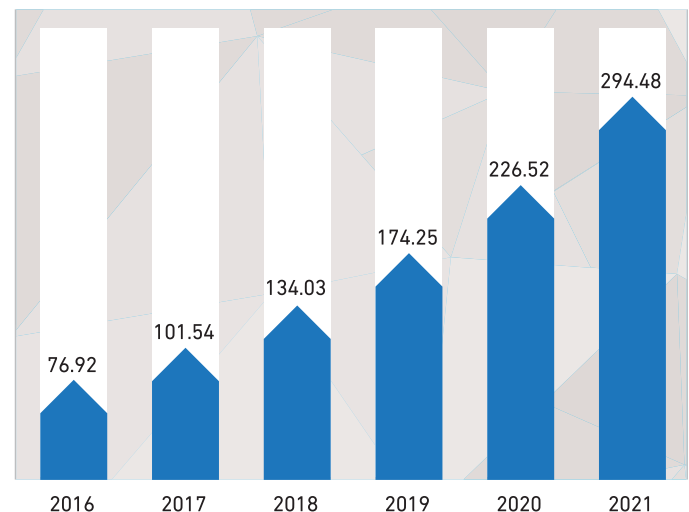
Good broadband speeds are essential for consumers to enjoy a rich internet experience. The average broadband speed in India is 4.1 mbps (3Q-2016), which has marked a 62% increase YoY. The broadband (4 mbps) adoption (IPv4) in India is at 30%, representing a 116% YoY change. At the same time, the adoption of IPv6 internet protocol is improving in India, which creates the necessary infrastructure to connect more devices, supports higher speeds, increases security of communication and reduces latency. As of 2016, IPv6 adoption in India was at 16.4%. How fast the telcos are able to transition to this new protocol will determine the rate of adoption of new-age technology, such as Internet of Things (IoT), in India.



The number of wireless internet users in the country is likely to cross 389 million in 2016 and reach 969 million in 2021. The number of 4G connections is expected to grow five-fold from 2016 to 2021 at a CAGR of 38%. 3G connections are expected to surpass 2G connections by 2019. Further, 3G and 4G connections are expected to represent 80% of the overall connections by 2021, up from 25% in 2016.

The rising penetration of mobile internet and smartphones has given rise to an alternative means of media consumption in a country where most households still own a single television set. The number of internet-enabled mobile phones crossed 300 million in 2016 and is expected to touch 700 million in 2021. The penetration of mobile devices in India is growing steadily and mobile remains the primary device to meet the digital needs of Indian consumers. A digital customer's appetite for rich content requiring higher bandwidth, such as video, continues to grow. This indicates that the rate of growth of 4G networks will be multi-fold as compared to the growth in wired connections and Wi-Fi access. 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.

Digital advertisement spend (INR billion)

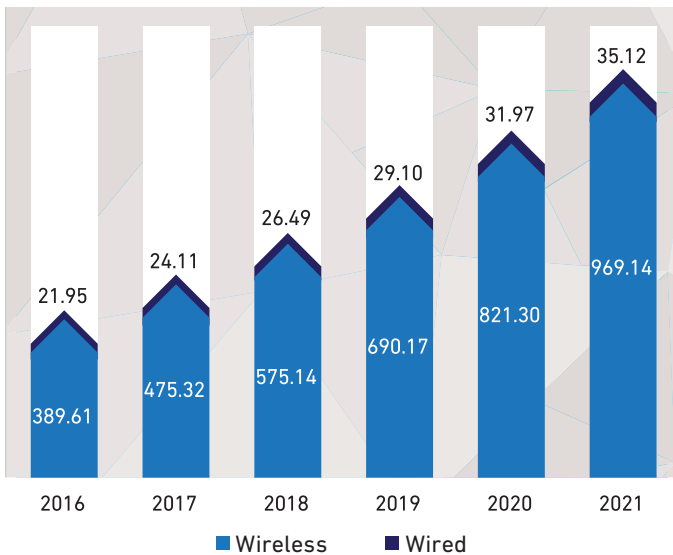


Source: KPMG in India's analysis and estimates, 2017

Digital advertising was marginally impacted by demonetisation, but continued its growth trajectory with 28% growth in 2016 and reached a 15% share in overall advertising revenues. With the rapid increase in internet penetration, advertisers' interest is following the ongoing shift in consumption trends towards digital media. The launch of Reliance Jio proved to be an added impetus, rapidly bringing down data costs. Digital advertising is expected to grow at a robust CAGR of almost 31% between 2016 and 2021, making this the fastest-growing segment in the M&E industry. The Digital Advertising industry will also contribute more than 27% to the total advertising spends. Mobile advertising spends are expected to grow from INR 16.9 billion in 2016 to INR 132 billion in 2021 at 50.9% CAGR.

With the help of improved network, better access to internet and smart mobile devices, digital platforms are expected to drive more media consumption.

Internet users (in millions)



Source: KPMG in India's analysis and estimates, 2017

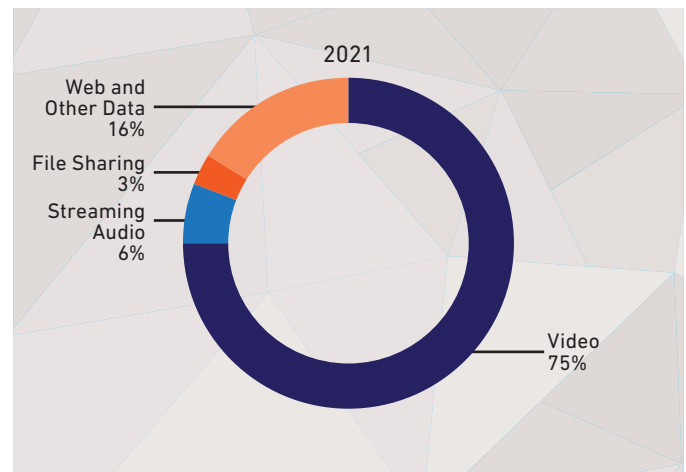
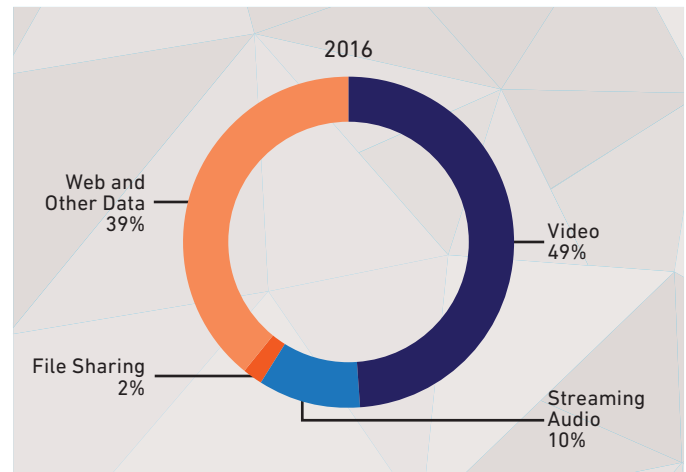
The Government of India, through its 'Digital India' umbrella, continues to invest and drive several digital initiatives to improve the digital infrastructure and digital ecosystem of the country.

About 1,12,871 km of optical fibre cable has already been laid under the BharatNet initiative for better connectivity. Mumbai is expected to get 1,200 Wi-Fi hotspots for free internet usage and Google is working with Railtel to provide free Wi-Fi at over 400 railways stations in the next few years. Bharat Sanchar Nigam Limited (BSNL) has also built over 2,500 free Wi-Fi hotspots across the country. The government's initiative to connect the remote parts of the country has boarded 8,621 villages already, and plans to on-board over 55,000 villages by 2019.

Today, video content dominates mobile internet usage and the same trend is likely to continue going forward. Mobile internet video traffic will be 75% of all internet traffic in 2021, up from 49% in 2016. Online video is an integral part of the daily lives of 85% of mobile data

consumers in India, who watch these videos at least once a week, whereas 39% of connected consumers watch online videos every day. Urban consumers have been early adopters of video content, especially those in the age group of 15-34 – this group constitutes roughly 70-75% of India's total internet base. With on-demand accessibility, aggressively-priced high-speed 4G data services and a latent demand for differentiated content, OTT Video on Demand (VoD) services have seen an upsurge in the last year. Also online video audience in India is estimated to be around 160 million in 2016, projected to increase to around 450 million by 2020.

Contribution of consumption categories to mobile internet in India



Source: VNI Mobile Forecast Highlights, 2016-2021, cisco, http://www.cisco.com/c/dam/assets/sol/sp/vni/forecast_highlights_mobile/index.html#-Country accessed on 24 February, 2017

Sources:

- <https://www.conference-board.org/economic-outlook2017/>
- <https://www.imf.org/external/pubs/ft/weo/2016/02/pdf/c1.pdf>
- <http://www.focus-economics.com/countries/india>
- <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2017/03/FICCIFrames2017.pdf>
- [http://www.ey.com/Publication/vwLUAssets/EY-digital-opportunity/\\$FILE/EY-digital-opportunity.pdf](http://www.ey.com/Publication/vwLUAssets/EY-digital-opportunity/$FILE/EY-digital-opportunity.pdf)

OUTLOOK

The overarching theme of our annual report titled 'Built to Thrive' is a sharper focus on our strategy. Content has always been at the heart of our strategy, but we see a lot more focus on monetisation of our built-up library. It is important to achieve these objectives while also optimising costs. Keeping a firm eye on return of investment and profitability has improved investments in the marketplace.

The industry has witnessed significant growth on the back of diversified content ideas, wider releases and aggressive promotions by production houses. Factors such as rapid urbanisation, increasing sophistication in production and marketing of films, and viewers' appetite to embrace varied content are expected to catalyse future growth. With the advent of digitisation, there is an increase in demand for content as well as an increase in the number of offerings by channels in niche genres. Regional channels are attractive for advertisers due to the lower cost incurred on connecting with the right audience. Regionalization has caught the eye of most established broadcasters, and newer and niche channels continue to be launched catering to specific interests of viewers.

Our operations involving the distribution of films across Television (Satellite, Terrestrial and Cable Television), New Media (Mobile, Internet, OTT etc.), Home Entertainment and other media, along with monetisation of our extensive film library gives us diversified revenue streams and a de-risked business model, which has proved advantageous.

CAUTIONARY STATEMENT

The projections, estimated data and graphs used in this report have been taken from documents available on the internet/websites; we don't confirm their correctness.

Further, some of the statements (expressed or implied) or inference drawn from statements in Management Discussion and Analysis Report or elsewhere in this Annual Report may be 'forward looking statements' and made for the limited context of the respective subject/ topic. These may be categorized as such within the applicable laws and regulations. As these are based on certain subjective factors, assumptions and expectations of future events hence may differ materially from actual results. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statement. Readers are cautioned that the Company is in no way responsible for any loss/adverse result caused to the readers attributable to these statements. The risks outlined here are not exhaustive. Readers are requested to exercise their own judgment in assessing the risk associated with the company.

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 Shareholders,

Your Directors take pleasure in submitting their 12th Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS

<i>Particulars</i>	<i>(Rs. in Lakhs)</i>	
	<i>Current year 2016-2017</i>	<i>Previous year 2015-2016</i>
Revenue from Operations and other income	41,950	37,694
Direct Operational Expenses	34,861	31,925
Changes in inventories of finished goods and work-in-progress	(11,357)	(9,587)
Employee benefit expense	3,031	2,269
Financial Costs	3,232	2,283
Depreciation and amortization expense	417	370
Other expenses	2,174	1,823
Total expenditure	32,358	29,082
Profit Before Taxation	9,591	8,612
Tax Expenses	3,424	3,069
Profit After Taxation	6,168	5,543
Balance brought forward from previous years	18,027	13,081
Profit available for Appropriation	24,195	18,624
Less: Appropriations		
General Reserve	-	(139)
Proposed Dividend [^]	-	(381)
Dividend Distribution Tax [^]	-	(77)
Balance carried to the Balance Sheet	24,195	18,027

[^]Company has not accounted for proposed dividend as a liability as at March 31, 2017 as per revised Accounting Standard (AS) 4

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Standalone Revenue from Operations & Other Income increased to Rs. 41,950 Lakhs as against Rs.37,694 Lakhs in the previous year and the Consolidated Revenue from Operations & Other Income increased to Rs.42,850 Lakhs as compared to Rs. 37,664 Lakhs in the previous year.

Your Company had a standalone growth with a Net Profit after tax of Rs.6,168 Lakhs as compared to the Net Profit after tax of Rs.5,543 Lakhs in the previous financial year and a consolidated growth with a Net Profit after tax of Rs.6,148 Lakhs as compared to the Net Profit after tax of Rs.5,215 Lakhs in the previous financial year.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2016-17 and the date of this Report.

3. CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of your Company for the financial year 2016-17, are prepared in compliance with applicable provisions of the Companies Act, 2013 ("the Act"), applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries and associate companies, as approved by their respective Board of Directors.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and the Auditors' Report thereon form part of this Annual Report and are also available on the website of the Company www.shemarooent.com under Investor Centre section.

4. SUBSIDIARIES AND ASSOCIATE COMPANIES

As on March 31, 2017, the Company has 5 subsidiaries and 1 associate company. There has been no change in the nature of business of the subsidiaries / associate, during the year under review.

During the year under review, the Company's capital contribution in Shemaroo Think Tank Entertainment LLP has increased from 65% to 99.99%.

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiary companies, are available on Company's website www.shemarooent.com under Investor Centre section. These documents will also be available for inspection at the Registered Office of the Company during working hours upto the date of the Annual General Meeting (AGM).

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.

During the year ended March 31, 2017, 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 website at www.shemarooent.com under Investor Centre 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.1.40 per fully paid-up equity shares of Rs.10 each (i.e. 14% of the paid-up equity share capital of Company) as final dividend for the financial year 2016-17, for approval of shareholders at the ensuing AGM.

The final dividend on equity shares, if approved by the shareholders would involve a cash outflow on account of Rs. 458.02 Lakhs including dividend distribution tax.

7. TRANSFER TO RESERVE

The Company proposes to retain the entire amount of Rs. 6168 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 of the Act and Schedule V of the SEBI Listing Regulations are provided in Notes 2.11, 2.12, 2.17 & 2.26 of the Standalone Financial Statements.

11. CREDIT RATING

CARE and India Ratings and Research (Ind -Ra), a Fitch Group Company continued to reaffirm their rating of "CARE A; Stable" and "IND A/Stable" respectively, for Long Term Bank Facilities of Rs. 1250 million and Rs. 225 million.

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, 2017, 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 judgments 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, 2017 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, 2017 have been prepared on a going concern basis;
5. proper internal financial controls to be followed by the Company has 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. Board Composition

Your Board currently comprised of total 10 Directors including 3 Executive Directors, 2 Non-Executive Non-Independent Directors and 5 Non-Executive

Independent Directors. The Composition of the Board is in conformity with the Act, read with Rules made thereunder and SEBI Listing Regulations.

b. Retire by rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Jai Maroo (DIN: 00169399) is liable to retire by rotation at the 12th Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. His re-appointment is being placed for your approval at the AGM. Your Directors recommend his re-appointment as the Non-Executive Director of your Company.

c. Key Managerial Personnel

Pursuant to Shareholders approval at the 11th Annual General Meeting held on September 26, 2016, Ms. Smita Maroo - Sr. VP - Animation, Kids Digital, L&M, & Ms. Kranti Gada - Sr. VP - New Business Development were re-appointed for a period of five years with effect from April 01, 2017.

During the year under review, Mr. Ankit Singh has resigned as Company Secretary and Compliance Officer of the Company with effect from the close of business hours of July 22, 2016 and Mr. Dipesh Gosar has been appointed as the Company Secretary and Compliance Officer of the Company with effect from August 03, 2016.

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 | – | Whole Time Director & CFO |
| iv. | Mr. Dipesh Gosar | – | Company Secretary & Compliance Officer |
| v. | Ms. Smita Maroo | – | Sr. VP - Animation, Kids Digital, L&M |
| vi. | Ms. Kranti Gada | – | Sr. VP - New Business Development |
| 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 |
| xii. | Mr. Harakhchand Gada | – | Sr. VP – Accounts |

d. Number of meetings of the Board

During the year under review, the Board met 4 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.

e. Board Independence

The Independent Directors have submitted the Declaration of Independence, as required pursuant to the provisions of Section 149 of the Act and SEBI Listing Regulations, stating that they meet criteria of independence as provided therein.

f. Audit Committee

The Audit Committee comprises of three 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.

g. Annual Performance Evaluation

As per the provision of the Act and Regulation 17 of the SEBI Listing Regulations, the annual evaluation process for the performance of the Board as well as of its Committees and Individual Directors, including Chairman of the Board was carried out internally. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee, Chairman and Individual Directors by the Nomination and Remuneration Committee. The Securities Exchange Board of India (“SEBI”) had issued Guidance Note on Board Evaluation dated January 05, 2017 in order to provide guidance on various aspects of Board Evaluation. Accordingly, the questionnaire and evaluation process was reviewed and necessary alignment was made with the requirement.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the functioning and overall level of engagement of the Board and its Committees on the parameters such as, adequacy of the constitution, composition, contribution, transparency, board deliberations, independence of judgment, timeliness of the information flow, etc.

A report on such evaluation was taken on record by the Board and the Directors expressed their satisfaction with the evaluation process.

h. Familiarisation of Independent Directors

The Company undertook familiarization programme for familiarizing Director’s with the Company’s operations 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 is placed on Company’s website at www.shemarooent.com under Investor Center section

i. Remuneration Policy

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.

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 there under. 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.

A resolution seeking ratification of their appointment forms part of the notice convening the 12th Annual General Meeting and the same is recommended for your consideration and approval.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no a qualification, reservations or adverse remarks or disclaimers given by the Auditors in their Report that may call for any explanation from the Directors. 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

Pursuant to the provisions of Section 204 of the Act read with rules framed thereunder, 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.

There are no qualifications or reservations or adverse remarks in the Report issued by them for the financial year 2016-17 which may call for any explanation from the Board of Directors.

16. RELATED PARTY CONTRACTS OR ARRANGEMENTS

All Related Party Transactions executed in financial year 2016-17 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 Investor Center 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 has well defined and adequate Internal Control System, commensurate with nature of its business, size, scale and complexity of its operations.

The Company has laid down certain guidelines, processes and structure, which enables implementation of appropriate internal financial controls across the organisation which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) for various processes. It includes control processes both on manual and IT applications including the ERP application wherein the transactions are approved and recorded.

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. This robust Risk Management process enables timely identification, evaluation of business risks and opportunities, defines adequate mitigation strategy and supports the management in strategic decision making. It also describes the risk management approach across the Corporate level and Business Segment level.

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 2016-2017.

20. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company have formulated a Whistle Blower Policy, pursuant to the provisions of Section 177 of the Act and SEBI Listing Regulations.

The Company 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 Investor Center section.

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

Pursuant to the provisions of Section 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed, share application money due for refund, debenture interest and interest on deposits as well as the principal amount of debentures and deposits remaining unclaimed / unpaid for seven consecutive years or more shall be transferred to an IEPF suspense account.

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, 2017 are as follows:

Sr. No.	Particular	Date of declaration	Due date for transfer to IEPF
1.	Unclaimed Final Dividend for FY 2015-2016	26.09.2016	01.11.2023
2.	Unclaimed Final Dividend for FY 2014-2015	21.09.2015	28.10.2022
3.	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 www.mca.gov.in.

22. 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.

23. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The Company does not have manufacturing operations and hence our processes are not energy intensive. Therefore, particulars relating to conservation of energy and technology absorption stipulated under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 are not applicable.

1. Conservation of Energy

The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption. Some of these measures are as follows:

- Advocated switching off of lights and Air Conditioners when not required, turning off of PCs when not in use, setting higher temperatures on air conditioners etc. to reduce consumption.
- Put controls on usage of Lifts, Air Conditioners, Common Passage lights and other electrical equipments.
- Changing of lights to energy efficient LED.
- Ensuring that air-conditioning equipment are switched on or off based on occupancy.

2. Technology Absorption

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

3. Foreign Exchange Earnings & Outgo

Details of foreign exchange earnings and outgo during the year are given in Note 2.28 and 2.30 of the Standalone Financial Statements forming part of this Report.

24. HUMAN RESOURCES

The Company recognizes that the employees are the most valuable resource for any establishment and key players of business success and sustained growth. Employees are our most valuable asset and your Company places the engagement, development and retention of talent as its highest priority, to enable achievement of organisational vision.

The Company continued to conduct various employee benefit, recreational and team building programs to enhance employee skills, motivation as also to foster team spirit. We are committed to partnering with employees and strengthening our talent pool by providing them with growth and career enhancement opportunities. Company also conducted in-house training programs to develop leadership as well as technical / functional capabilities. Succession planning, career planning, job rotation, Hi-potential identification and talent pipeline development process continues to be our priority towards building sustainable bench strength for the future. The total employee strength at the end of financial year 2016-17 is 453.

Your Directors wish to place on record their appreciation for the sincere and devoted efforts of the employees at all levels.

25. SEXUAL HARASSMENT

Your Company has in place policy for the prevention of sexual harassment at workplace. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has an Internal Complaints Committees (ICC) to redress complaints relating to sexual harassment. During the year under review no complaints were received in regards to sexual harassment.

26. CORPORATE SOCIAL RESPONSIBILITY

The composition of the CSR Committee is disclosed in the Corporate Governance Report. A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2016-17 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 Board's Report.

Your Company is fully committed to make contributions towards CSR Activities of your Company as per the requirement of Section 135 of the Act. Your Company has contributed with an amount Rs. 14.61 Lakhs for the financial year 2016 – 2017 instead of the required contribution

amount of Rs. 129.78 Lakhs (i.e. 2% of the average net profit of your Company made during the three immediately preceding financial year). Your Company has not spent balance CSR contribution amount of Rs. 115.17 Lakhs. The members of the CSR Committee as well as the members of the Board has decided to go ahead with CSR activities with proper research and planning and decided to make the required contribution as and when your Company finds proper projects or area in the coming financial years. The Company is in the early stages with several initiatives aligned to the Improving & Promoting Rural Education, Health Care, Hygiene & Medical Facilities, Rural Transformation and Social Welfare strategic areas and has conserved expenditure with the objective of scaling up these initiatives in future. Hence the full amount was not spent during the year.

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

27. 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.

28. ACKNOWLEDGEMENT

Your Board wishes to place on record its sincere appreciation to its Customers, Vendors, Investors, Financial Institutions, Bankers, Business Associates and Government Authorities for their continued support.

The Board of Directors also appreciates the contribution made by the employees at all levels for their dedicated service, co-operation and firm commitment to the goals & vision of the Company. 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

sd/-
Raman Maroo
Managing Director
DIN: 00169152

sd/-
Atul Maru
Jt. Managing Director
DIN: 00169264

Mumbai
May 09, 2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2017

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.:- 022-4918600; 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	98.53%

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	Shemaroo Films Private Limited Shemaroo House, Plot No. 18, Marol Co-Op. Industrial Estate, Off Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	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	Vistaas Digital Media Private Limited A1/502, Yogi Palace, Yogi Nagar, Borivali (West), Mumbai - 400 0 91	U64203MH2009PTC195876	Associate	50	2(6)
5	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)
6	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. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% 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	632841	0	632841	2.33	487408	0	487408	1.79	-0.54
(b)	Banks / Financial Institutions	10049	0	10049	0.04	7809	0	7809	0.03	-0.01
(c)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FIs	2708958	0	2708958	9.97	357681	0	357681	1.32	-8.65
(g)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1):	3351848	0	3351848	12.34	852898	0	852898	3.14	-9.20
(2)	Non Institutions									
(a)	Bodies corporates	1530091	101272	1631363	6.00	1033175	0	1033175	3.80	-2.20
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakhs	1742629	1	1742630	6.41	1663392	1	1663393	6.12	-0.29
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1080109	101272	1181381	4.35	1334376	50636	1385012	5.10	0.75
(c)	Others (specify)									
(i)	Directors / Relative	50636	0	50636	0.18	50636	0	50636	0.18	0.00
(ii)	Trusts	0	101264	101264	0.37	10000	0	10000	0.04	-0.33
(iii)	Hindu Undivided Family	152733	0	152733	0.56	119859	0	119859	0.44	-0.12
(iv)	Clearing Member	65974	0	65974	0.24	301596	0	301596	1.11	0.87
(v)	Office Bearers	316400	0	316400	1.16	14943	0	14943	0.06	-1.11
(vi)	Non Resident Indians	304929	0	304929	1.12	204952	0	204952	0.75	-0.37
(vii)	Foreign Portfolio Investor (Corporate)	391161	0	391161	1.44	3653855	0	3653855	13.44	12.00
	SUB TOTAL (B)(2):	5634662	303809	5938471	21.84	8386784	50637	8437421	31.04	9.20
	Total Public Shareholding (B)= (B)(1)+(B)(2)	8986510	303809	9290319	34.18	9239682	50637	9290319	34.18	0.00
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
	Grand Total (A+B+C)	26878430	303809	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			Shareholding at the end of the year			% 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	1640520	6.04	0	1093680	4.03	0	(2.01)
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	0	0	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		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	13.15	01/04/2016		3575320	13.15
				31/03/2017		3575320	13.15
2	Raman Maroo	4809520	17.69	01/04/2016		4809520	17.69
				31/03/2017		4809520	17.69
3	Atul Maru	4809520	17.69	01/04/2016		4809520	17.69
				31/03/2017		4809520	17.69
4	Hiren Gada	1640520	6.04	01/04/2016		1640520	6.04
				31/03/2017	(546840) Sale	1093680	4.03
5	Jai Maroo	1234200	4.54	01/04/2016		1234200	4.54
				31/03/2017		1234200	4.54
6	Technology and Media Group Pte Ltd	1822840	6.71	01/04/2016		1822840	6.71
				31/03/2017		1822840	6.71
7	Kranti Gada Arambhan	0	0	01/04/2016		0	0.00
				31/03/2017	546840 Purchase	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 at the end 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	NEW HORIZON OPPORTUNITIES MASTER FUND	0	0.00	01/04/2016		0	0.00
				16/09/2016	240000 Purchase	240000	0.88
				23/12/2016	2374000 Purchase	2614000	9.62
				31/03/2017		2614000	9.62

Sr. No.	Shareholders Name	Shareholding at the beginning at the end 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
2	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	128496	0.47	01/04/2016			128496	0.47
				13/05/2016	4626	Purchase	133122	0.49
				03/06/2016	14800	Purchase	147922	0.54
				10/06/2016	10050	Purchase	157972	0.58
				17/06/2016	6869	Purchase	164841	0.61
				24/06/2016	14119	Purchase	178960	0.66
				30/06/2016	21042	Purchase	200002	0.74
				05/08/2016	4500	Purchase	204502	0.75
				12/08/2016	32385	Purchase	236887	0.87
				19/08/2016	38623	Purchase	275510	1.01
				26/08/2016	12714	Purchase	288224	1.06
				02/09/2016	26901	Purchase	315125	1.16
				09/09/2016	10610	Purchase	325735	1.20
				16/09/2016	29274	Purchase	355009	1.31
				23/09/2016	8660	Purchase	363669	1.34
				30/09/2016	85394	Purchase	449063	1.65
				21/10/2016	2540	Purchase	451603	1.66
				28/10/2016	5425	Purchase	457028	1.68
				04/11/2016	1777	Purchase	458805	1.69
				11/11/2016	1407	Purchase	460212	1.69
				18/11/2016	2583	Purchase	462795	1.70
				25/11/2016	1093	Purchase	463888	1.71
				10/02/2017	7789	Purchase	471677	1.74
				17/02/2017	57752	Purchase	529429	1.95
				24/02/2017	113821	Purchase	643250	2.37
				31/03/2017			643250	2.37
3	TATA INVESTMENT CORPORATION LIMITED	400000	1.47	01/04/2016			400000	1.47
				31/03/2017			400000	1.47
4	FIDELITY ASIAN VALUES PLC	167462	0.62	01/04/2016			167462	0.62
				30/09/2016	47606	Purchase	215068	0.79
				21/10/2016	14036	Purchase	229104	0.84
				28/10/2016	20698	Purchase	249802	0.92
				18/11/2016	8887	Purchase	258689	0.95
				25/11/2016	4201	Purchase	262890	0.97
				24/02/2017	55178	Purchase	318068	1.17
				31/03/2017			318068	1.17
5	KITARA INDIA MICRO CAP GROWTH FUND	53577	0.20	01/04/2016			53577	0.20
				08/04/2016	11785	Purchase	65362	0.24
				15/04/2016	30731	Purchase	96093	0.35
				22/04/2016	3550	Purchase	99643	0.37
				29/04/2016	110888	Purchase	210531	0.77
				06/05/2016	986	Purchase	211517	0.78
				13/05/2016	1082	Purchase	212599	0.78
				20/05/2016	7773	Purchase	220372	0.81
				27/05/2016	33177	Purchase	253549	0.93
				22/07/2016	59835	Purchase	313384	1.15
				31/03/2017			313384	1.15

Sr. No.	Shareholders Name	Shareholding at the beginning at the end 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
6	UNION SMALL AND MIDCAP FUND	125000	0.46	01/04/2016			125000	0.46
				20/05/2016	10000	Purchase	135000	0.50
				10/06/2016	15000	Purchase	150000	0.55
				24/06/2016	15000	Purchase	165000	0.61
				30/06/2016	2467	Purchase	167467	0.62
				08/07/2016	2533	Purchase	170000	0.63
				22/07/2016	10000	Purchase	180000	0.66
				29/07/2016	5000	Purchase	185000	0.68
				23/09/2016	10000	Purchase	195000	0.72
				30/09/2016	28000	Purchase	223000	0.82
7	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE EMERGING LEADERS FUND-SERIES 3	309255	1.14	01/04/2016			309255	1.14
				03/06/2016	72000	Purchase	381255	1.40
				16/09/2016	(2500)	Sale	378755	1.39
				23/09/2016	(10664)	Sale	368091	1.35
				30/09/2016	(132785)	Sale	235306	0.87
				18/11/2016	(8018)	Sale	227288	0.84
				09/12/2016	(3205)	Sale	224083	0.82
				16/12/2016	(6175)	Sale	217908	0.80
				13/01/2017	(11000)	Sale	206908	0.76
				31/03/2017			206908	0.76
8	SNEHAL BHUPENDRA SHAH	195000	0.72	01/04/2016			195000	0.72
				31/03/2017			195000	0.72
9	NEW HORIZON WEALTH MANAGEMENT PVT. LTD	160000	0.59	01/04/2016			160000	0.59
				31/03/2017			160000	0.59
10	JAYESH ARVIND PAREKH	153308	0.56	01/04/2016			153308	0.56
				02/12/2016	(21400)	Sale	131908	0.49
				09/12/2016	(53600)	Sale	78308	0.29
				30/12/2016	33017	Purchase	111325	0.41
				06/01/2017	(28017)	Sale	83308	0.31
				13/01/2017	(5000)	Sale	78308	0.29
31/03/2017	(56534)	Sale	21774	0.08				

Note: Top ten shareholders of the Company as on March 31, 2017 has been considered for the above disclosure.

(v) Shareholding of Directors & KMP

Sr. No.	Particulars	Shareholding at the beginning at the end 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	01/04/2016			3575320	13.51
				31/03/2017			3575320	13.51
2	RAMAN MAROO	4809520	17.69	01/04/2016			4809520	17.69
				31/03/2017			4809520	17.69
3	ATUL MARU	4809520	17.69	01/04/2016			4809520	17.69
				31/03/2017			4809520	17.69
4	HIREN GADA	1640520	6.04	01/04/2016			1640520	6.04
				31/03/2017	(546840)	Sale	1093680	4.03
5	JAI MAROO	1234200	4.54	01/04/2016			1234200	4.54
				31/03/2017			1234200	4.54

Sr. No.	Particulars	Shareholding at the beginning at the end 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
6	VASANJI MAMANIA	50636	0.18	01/04/2016		50636	0.18
				31/03/2017		50636	0.19
7	VINOD KARANI	114840	0.42	01/04/2016		114840	0.42
				04/11/2016	(8100) Sale	106740	0.39
				02/12/2016	(5000) Sale	101740	0.37
				09/12/2016	(300) Sale	101440	0.37
				16/12/2016	(129) Sale	101311	0.37
				23/12/2016	(3272) Sale	98039	0.36
				06/01/2017	(1000) Sale	97039	0.36
				13/01/2017	(4000) Sale	93039	0.34
				10/03/2017	(1000) Sale	92039	0.34
				31/03/2017	(80000) Sale	12039	0.04
8	KETAN MARU	82040	0.30	01/04/2016		82040	0.30
				31/03/2017	(82020) Sale	20	0.00
9	HEMANT KARANI	65640	0.24	01/04/2016		65640	0.24
				31/03/2017	(65500) Sale	140	0.00
10	BIPIN DHAROD	21040	0.08	01/04/2016		21040	0.08
				02/12/2016	(1000) Sale	20040	0.07
				16/12/2016	(1000) Sale	19040	0.07
				06/01/2017	(1000) Sale	18040	0.07
				27/01/2017	(1000) Sale	17040	0.06
				10/03/2017	(1000) Sale	16040	0.06
				24/03/2017	(1000) Sale	15040	0.06
				31/03/2017	(15040) Sale	0.00	0.00
11	HARAKHCHAND GADA	32840	0.12	01/04/2016		32840	0.12
				02/12/2016	(4840) Sale	28000	0.10
				23/12/2016	(259) Sale	27741	0.10
				31/03/2017	(25000) Sale	2741	0.01
12	DIPESH GOSAR	0	0.00	01/04/2016		0	0.00
				24/06/2016	3 Purchase	3	0.00
				31/03/2017		3	0.00
13	KRANTI GADA ARAMBHAN	0	0.00	01/04/2016		0	0.00
				31/03/2017	546840 Purchase	546840	0.00

Note: Top ten shareholders of the Company as on March 31, 2017 has been considered for the above disclosure.

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
Indebtness at the beginning of the financial year (As on 01.04.2016)				
i) Principal Amount	12,195.40	9,043.75	-	21,239.15
ii) Interest due but not paid	-	43.30	-	43.30
iii) Interest accrued but not due	-	16.53	-	16.53
Total (i+ii+iii)	12,195.40	9,103.58	-	21,298.98
Change in Indebtedness during the financial year				
Additions	6,242.79	5,359.14	-	11,601.93
Reduction	1,834.01	1,607.33	-	3,441.34
Net Change	4,408.78	3,751.81	-	8,160.60
Indebtedness at the end of the financial year (As on 31.03.2017)				
i) Principal Amount	16,604.18	12,795.57	-	29,399.75
ii) Interest due but not paid	32.42	207.82	-	240.24
iii) Interest accrued but not due	-	4.36	-	4.36
Total (i+ii+iii)	16,636.08	13,007.75	-	29,644.35

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	Atul Maru	Hiren Gada	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	41.89	41.89	31.89	115.68
(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)	42.51	42.51	32.51	117.52
	Ceiling as per Section 198 of the Companies Act, 2013	Rs. 970.86 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
1	Independent Directors				
	Gnanesh Gala \$	-	-	-	-
	Kirit Gala \$	-	-	-	-
	Reeta Shah	0.60	-	-	0.60
	Shashidhar Sinha	0.40	-	-	0.40
	Vasanji Mamania	0.80	-	-	0.80
	Total (1)	1.80	-	-	1.80
2	Other Non Executive Directors				
	Buddhichand Maroo	0.80	-	-	0.80
	Jai Maroo	0.80	-	-	0.80
	Total (2)	1.60	-	-	1.60
	Total (B)=(1+2)	3.40	-	-	3.40
	Ceiling as per Section 198 of the Companies Act, 2013	Rs.97.09 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	Harakhchand Gada	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	98.32	37.13	26.32	31.23	7.49	28.57	17.50	3.98	304.37
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	2.39	0.40	0.40	0.40	-	0.40	-	0.40	4.77
(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	1.68	0.87	0.68	0.77	0.31	0.91	0.62	0.31	7.31
	Total	55.40	102.39	38.40	27.40	32.40	7.80	29.87	18.12	4.69	316.45

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

Annexure B

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 2016-17 is as follows:**

(Rs. in lakhs)

Sr. No.	Name	Total Remuneration for financial year 2016-17	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Buddhichand Maroo Chairman & Non-Executive Director	-	-	-
2.	Raman Maroo Managing Director	42.51	2.04	11.49
3.	Atul Maru Joint Managing Director	42.51	2.04	11.49
4.	Hiren Gada Whole Time Director & Chief Financial Officer	32.51	2.26	8.79
5.	Jai Maroo* Non-Executive Director	-	-	-
6.	Gnanesh Gala* Independent Director	-	-	-
7.	Kirit Gala* Independent Director	-	-	-
8.	Vasanji Mamania* Independent Director	-	-	-
9.	Shashidhar Sinha* Independent Director	-	-	-
10.	Reeta Shah* Independent Director	-	-	-
11.	Dipesh Gosar Company Secretary & Compliance Officer	7.80	**	Not Applicable

* The Non-Executive Directors of the Company are entitled to sitting fee and commission 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.

**Mr. Dipesh Gosar, Company Secretary & Compliance Officer was appointed during the current year and therefore the percentage of increase in remuneration in this case is not comparable with that of the previous year.

B. The median remuneration of employees of the Company during the financial year was Rs. 3,70,040**C. The percentage increase in the median remuneration of Employees for the financial year was 16.07%.****D. There were 453 permanent employees on the rolls of Company as on March 31, 2017.****E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile decrease in the salaries of employees other than Managerial Personnel was 0.79% whereas the decrease in the Managerial Remuneration was 3.29%. Expenses with regard to employee remuneration and benefits increased in Fiscal 2017 than in Fiscal 2016 due to increase in the average headcount as compared to Fiscal 2016.

F. Affirmation:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 2016-2017

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.</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 Whole Time Director & CFO) 3. VasANJI MAMANIA (Member and Independent Director)
3	Average net profit of the company for last three financial years	Rs 6489.07 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 129.78 Lakhs
5	Details of CSR spent during the financial year: A. Total amount to be spent for the F.Y. B. Amount unspent, if any; C. Manner in which the amount spent during the financial year	Rs 14.61 Lakhs Rs 115.17 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 9, 2017

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), Bhuj (Kutch), Mandavi (Kutch)	2.37	2.37	2.37	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	Coimbatore (Tamil Nadu), Mumbai (Maharashtra), Mandavi (Kutch), Bhuj (Kutch)	6.37	6.37	6.37	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	Mumbai (Maharashtra), Melattur (Tamil Nadu), Kutch	5.87	5.87	5.87	Indirect

* Details of implementing agency:

1. Isha Foundation, 2. Jeevan Jyot Cancer Relief & Care Trust, 3. K V O Mitra Mandal, 4. Kutch Mahila Vikas Sangathan, 5. Kutch Yuvak Sangh (Mumbai), 6. LNM Group Lions Hospital & Research Centre, 7. Manav Jyot Public Charitable Trust, 8. Shri Kalyanji Thakershi & Sons Jain Vidya Niketan, 9. Shree K.V.O.Jain Mahajan Mumbai, 10. SMT.Kamla Mehta Dadar School For The Blind, 11. Sri Lakshmi Narasimha Jayanti Bhagavata Mela Natya N. Sangam, 12. Tai Foundation, 13. Vardhman Sanskar Dham, 14. Vision Foundation of India, 15. 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 grounded 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 conducts 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, 2017, 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.

During the financial year, the Board of the Company met four times i.e. on May 06, 2016, August 3, 2016, October 25, 2016 and February 06, 2017. 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 Committees and Chairman of more than 5 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, 2017 is given below:

Sr. No.	Name, Category, DIN	Attendance at Board meeting	Attendance at last AGM held on September 26, 2016	No. of other Directorships and Committee memberships/Chairmanships held		
				Other Directorships #	Chairmanships@	Memberships of Committees@
1.	Mr. Raman Maroo, Managing Director (DIN:00169152)	3/4	YES	1	NIL	NIL
2.	Mr. Atul Maru, Jt. Managing Director (DIN:00169264)	4/4	YES	NIL	NIL	1
3.	Mr. Hiren Gada, Whole Time Director & CFO (DIN:01108194)	4/4	YES	NIL	NIL	1
4.	Mr. Buddhichand Maroo, Chairman (DIN:00169319)	4/4	YES	NIL	NIL	NIL
5.	Mr. Jai Maroo, Non-Executive Director (DIN:00169399)	4/4	YES	NIL	NIL	NIL
6.	Mr. Gnanesh Gala Independent Director (DIN: 00093008)	4/4	YES	1	1	1
7.	Mr. Shashidhar Sinha, Independent Director (DIN:00953796)	2/4	NO	1	NIL	2
8.	Mr. VasANJI Mamania Independent Director (DIN:00013071)	4/4	YES	NIL	NIL	NIL
9.	Mr. Kirit Gala Independent Director (DIN:01540274)	4/4	NO	NIL	NIL	1
10.	Dr. CA Reeta Shah Independent Director (DIN:07141304)	3/4	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. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2017:

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

b. 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

c. 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 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.

d. 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 January 20, 2017, 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, other Non-Independent Directors, the Board and flow of information between the management and the Board.

e. 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 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

f. 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 the 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 met four (4) times during the year under review. The Committee Meetings were held on the following dates May 06, 2016, August 3, 2016, October 25, 2016 and February 06, 2017.

The Composition and attendance at the Meetings was as under:

Sr. No.	Name of the Member	Designation	Category	No. of meetings held	
				Held	Attended
1.	Mr. Gnanesh Gala	Chairman	Independent Director	4	4
2.	Mr. Kirit Gala	Member	Independent Director	4	4
3.	Mr. Hiren Gada	Member	Executive Director	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 26, 2016.

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).

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 Meetings were held on the following dates – May 06, 2016, August 03, 2016 and February 06, 2017. The attendance of the members was as under:-

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

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 26, 2016.

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.

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:

- a. 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;
- b. professional qualifications, expertise and experience in specific area of business;
- c. 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, 2017 is provided hereinafter:

Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2017:

(Rs. in lakhs)

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	TOTAL
Mr. Raman Maroo	41.89	Nil	Nil	0.40	42.51
Mr. Atul Maru	41.89	Nil	Nil	0.40	42.51
Mr. Hiren Gada	31.89	Nil	Nil	0.40	32.51

Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2017:

(Amount in Rs.)

Name of Director	Sitting Fees for attending Board Meeting
Mr. Buddhichand Maroo	80,000
Mr. Jai Maroo	80,000
Mr. VasANJI MamanIA	80,000
Mr. Gnanesh Gala *	Nil
Mr. Kirit Gala*	Nil
Mr. Shashidhar Sinha	40,000
Dr. CA Reeta Shah	60,000
TOTAL	3,40,000

Note:

1. No commission was paid to the Non-Executive Directors during the financial year ended on March 31, 2017.
2. *No sitting fees was paid to Mr. Gnanesh Gala and Kirit Gala, Independent Directors, who have decided not to accept any sitting fees for attending meetings of the Board.
3. Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non-executive Directors.
4. 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 with 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 with 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 Two (2) times during the year under review. The Committee Meeting was held on August 03, 2016 and November 23, 2016.

The attendance at the Meeting was as under:

Sr. No.	Name of the Member	Designation	Category	No. of meetings held	
				Held	Attended
1.	Dr. CA Reeta Shah	Chairman	Independent Director	2	2
2.	Mr. Shashidhar Sinha	Member	Independent Director	2	2
3.	Mr. Atul Maru	Member	Executive Director	2	2

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 26, 2016.

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

- Investor relations and redressal of grievances of security holders of the company in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
- Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / sub-division/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates etc.
- 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	2
Non- receipt of Dividend Warrants	2
Non-Receipt of Shares lodged for Transfer	NIL
Non – receipt of IPO application money	2
TOTAL	6

As on March 31, 2017, 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 ended on March 31, 2017 met twice on May 06, 2016 and October 25, 2016.

Sr. No.	Name of the Member	Designation	Category	No. of meetings held	
				Held	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 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 compliance with the Code of Conduct annually. A declaration signed by the Managing Director (MD) and Whole Time Director & 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
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.
2014-2015	Monday, September 21, 2015	03:00 PM	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai-400020.
2013-2014	Tuesday, August 05, 2014	11:00 AM	Shemaroo House, Plot no. 18, Marol Co-op. Industrial Estate, Off. Andheri Kurla Road, Andheri (E), Mumbai-400059.

During the above mentioned financial years, no special resolution was passed in the Annual General Meetings.

b) Postal Ballot & E-voting:

The Company has successfully completed the process of obtaining approval of its Shareholders through postal ballot/e-voting on two special resolutions during the financial year 2016-2017. The details of these special resolutions alongwith the voting pattern are as follows:

Date of passing of Resolution	Description	Total No. of Valid Votes	No. of Votes Assenting the Resolution	% of Votes in favours Cast	No. of Votes Dissenting the Resolution	% of Votes against Cast
December 23, 2016	1. Amendments to Objects Clause of the Memorandum of Association of the Company	1,96,34,912	1,96,34,305	99.997	607	0.003
	2. Amendment to Clause IV of the Memorandum of Association of the Company.	1,96,35,012	1,96,34,390	99.997	622	0.003

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 dispatched 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. Tuesday, November 22, 2016. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated as 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 December 23, 2016. 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, save trees 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 centralized 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. Industrial Estate, Off. Andheri-Kurla Road, Andheri (E), Mumbai - 400 059.

c. Annual General Meeting:

Day & Date	:	Wednesday, September 27, 2017
Time	:	04:00 P. M.
Venue	:	M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
Book Closure Date	:	September 21, 2017 – September 26, 2017.
Last Date of receipt of Proxy Forms	:	Monday, September 25, 2017 before 4 P.M.
Cut-off date	:	Wednesday, September 20, 2017

d. Financial Calendar (Tentative):

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

- First Quarter	:	September, 2017
- Half yearly	:	December, 2017
- Third Quarter	:	February, 2018
- Fourth Quarter and Annual	:	May, 2018
- Annual General Meeting	:	August/September, 2018

e. Dividend Payment Date:

The Board of Directors at their meeting held on May 09, 2017, recommended a Final Dividend of Rs.1.40 per equity share of face value of Rs. 10/- each, for the financial year ended March 31, 2017. Final Dividend, if approved by Shareholders in the AGM, will be paid on or after September 27, 2017 (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 2017-18 have been paid to the above Stock Exchanges.

g. Payment of Depository Fees:

Annual Custody / Issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

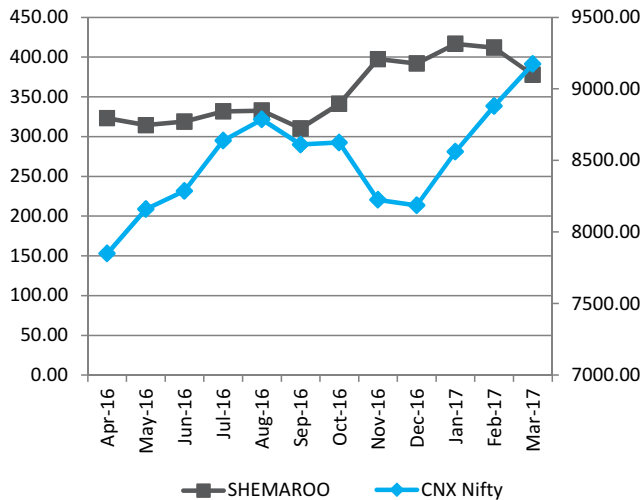
h. ISIN Number: INE363M01019**i. Market Price Data:**

The high / low market price of the shares during the financial year 2016-2017 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under :-

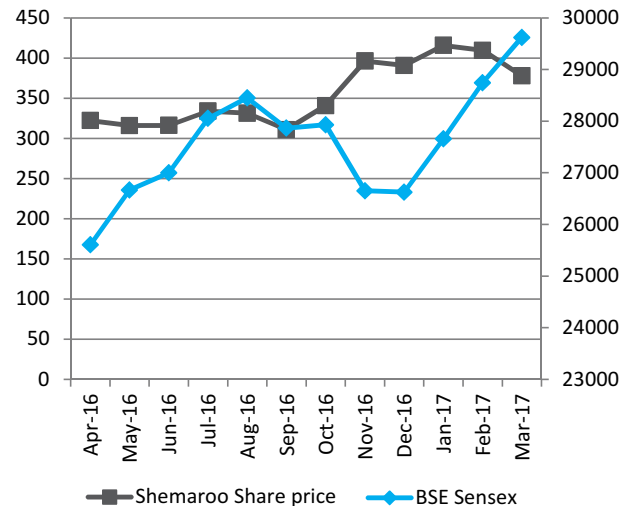
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr, 2016	339	294.3	195529	339.7	295	665915
May, 2016	353	307.5	110633	352.9	308	694509
Jun, 2016	334.3	294.4	47052	335	290.65	323065
Jul, 2016	367	310	238574	367	312.10	998395
Aug, 2016	344.5	316	79406	344.95	315.25	476688
Sep, 2016	345	294	202367	345	265.70	692356
Oct, 2016	359	305.05	109185	354.40	302.60	449484
Nov, 2016	413.95	296.9	238519	414.90	276.50	930498
Dec, 2016	422	362.65	2644825	422	361.50	824603
Jan, 2017	439.45	384	189059	439.90	383.95	658896
Feb, 2017	433.55	399	189024	435	397.45	536039
Mar, 2017	429.15	371	371122	430	371	1046081

j. Performance in comparison to broad based indices:

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



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



k. Distribution of Shareholding :

The Shareholding distribution of the equity shares as on March 31, 2017 is given below:-

No. of Shares	No. of Shareholders	No. of Shares	% to Total Shares
1 - 5000	7975	1772330	6.5202
5001 - 10000	50	369946	1.3610
10001 and above	89	25039963	92.1188
Total	8114	27182239	100.00

i. Shareholding Pattern:

The Shareholding of different categories of the shareholders as on March 31, 2017 is given below:-

Category	No. of shares	% of Holdings
Promoters	16069080	59.12
Foreign Promoter	1822840	6.71
Foreign Portfolio Investor (Corporate) & FII	4011536	14.76
Financial Institutions & Banks	7809	0.03
Other Bodies Corporate	1033175	3.80
Mutual Fund	487408	1.79
Non-Resident Indians (Repat)	172795	0.63
Non-Resident (Non - Repatriable)	32157	0.11
Clearing Member	301596	1.11
Hindu Undivided Family	119859	0.44
Office Bearers	14943	0.06
Public	3099041	11.4
Trusts	10000	0.04
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.

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. 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, 2017, 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/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. 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

s. Service of documents through Email:

Pursuant to the provisions of the Act service of documents on 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.

t. 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.

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. 2.26 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, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports 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, 2017. 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 and Chief Executive Officer

The Company has separate posts of Chairman, who is a Non-Executive Director, and Managing Director, who is an Executive Promoter Director.

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, 2016 to March 31, 2017.

ix. Code of Conduct for Prevention of Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has in place a Code of Conduct applicable to the Board members as well as the Senior Management Personnel

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. CEO/CFO Certification

The Managing Director (MD) and Chief Financial Officer (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 and the said certificate forms part of this Report.

xi. 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, 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, 2017.

sd/-
Raman Maroo
Managing Director
DIN: 00169152

sd/-
Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Mumbai
 May 09, 2017

MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER 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 and 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, 2017 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

sd/-
Raman Maroo
Managing Director
DIN: 00169152

sd/-
Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Mumbai
 May 09, 2017

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 2017 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Manish L. Ghia
Partner

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

Place : Mumbai
Date: May 9, 2017

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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, 2017 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 2017 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;

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

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 obtained the approval of members for amendment in the Objects Clause of Memorandum of Association through Postal Ballot process, the results of which was declared on 23rd December 2016.

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

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

Place : Mumbai
Date: May 9, 2017

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

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

Place : Mumbai
Date: May 9, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shemaroo Entertainment Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the said order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.38 to the financial statements.

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

**S.Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 9, 2017

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 and LLPs 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 maintaining 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 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 have not been deposited by the Company on account of disputes

Name of the statute	Nature of Dues	Amount (in ₹)	Period to Which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	1,077,790	F.Y. 2012-13	Com. of I.T.(A)
Income Tax Act	Income Tax	16,002,229	F.Y. 2010-11	Com. of I.T.(A)
Customs Act	Customs Duty	15,464,368	F.Y. 2009-10	CESTAT
- (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 Companies (Auditor's Report) Order 2016 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 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**

**Date: May 9, 2017
Place: Mumbai**

**Chartered Accountants
Membership No. 223754**

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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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 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 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, 2017, 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 9, 2017

Place: Mumbai

Balance Sheet

As At March 31, 2017

(₹ in lacs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	2,718.22	2,718.22
(b) Reserves and Surplus	2.2	40,648.44	34,480.82
		43,366.67	37,199.04
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	1,247.28	2,291.29
(b) Deferred tax liability (Net)	2.4	668.81	669.06
(c) Long term provisions	2.5	96.39	67.15
		2,012.48	3,027.49
(3) Current Liabilities			
(a) Short-term borrowings	2.6	26,157.82	15,436.49
(b) Trade payables - Other than MSME	2.7	1,974.41	1,112.72
(c) Other current liabilities	2.8	3,054.70	3,926.70
(d) Short-term provisions	2.9	2,462.78	1,395.11
		33,649.71	21,871.02
Total		79,028.86	62,097.55
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2.10		
(i) Tangible assets		3,356.61	2,837.43
(ii) Intangible assets		89.83	91.95
(iii) Capital WIP		-	138.23
(b) Non-current investments	2.11	1,199.00	1,201.90
(c) Long term loans and advances	2.12	708.55	647.11
(d) Other non-current assets	2.13	186.50	284.34
		5,540.49	5,200.95
(2) Current assets			
(a) Inventories	2.14	49,731.71	38,375.17
(b) Trade receivables	2.15	19,081.54	10,678.55
(c) Cash and cash equivalents	2.16	113.83	106.85
(d) Short-term loans and advances	2.17	1,159.11	1,148.75
(e) Other current assets	2.18	3,402.17	6,587.28
		73,488.36	56,896.60
Total		79,028.86	62,097.55
Significant Accounting Policies Notes to the Financial Statements	1 & 2		

As per our report of even date.

For and on behalf of the Board

For M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Dipesh Gosar
Company Secretary
Membership No.:A23755

Hiren Gada
Whole Time Director & CFO
DIN 01108194

Place: Mumbai
Date: May 9, 2017

Place: Mumbai
Date: May 9, 2017

Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in lacs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
INCOME			
Revenue from operations	2.19	41,474.65	37,483.57
Other Income	2.20	475.30	210.08
I. Total Revenue		41,949.95	37,693.66
EXPENDITURE			
Direct Operational Expenses	2.21	34,861.24	31,925.22
Changes in inventories	2.22	(11,356.53)	(9,586.66)
Employee benefit expense	2.23	3,031.06	2,268.56
Financial costs	2.24	3,232.10	2,282.70
Depreciation and amortization expense	2.10	416.51	369.53
Other expenses	2.25	2,174.19	1,822.80
II. Total Expenses		32,358.57	29,082.14
Profit before tax (I - II)		9,591.38	8,611.52
Tax expense:			
(1) Current tax			
- Income Tax		3,424.00	3,082.02
(2) Deferred tax	2.4	(0.25)	(13.55)
Profit after tax for the year		6,167.63	5,543.05
Earnings per equity share (Nominal value of Rs.10 each) :			
Basic and Diluted (in ₹)	2.1	22.69	20.39
Significant Accounting Policies Notes to the Financial Statements	1 & 2		

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place: Mumbai
Date: May 9, 2017

For and on behalf of the Board

Raman Maroo
Managing Director
DIN 00169152

Dipesh Gosar
Company Secretary
Membership No.:A23755

Place: Mumbai
Date: May 9, 2017

Atul Maru
Jt. Managing Director
DIN 00169264

Hiren Gada
Whole Time Director & CFO
DIN 01108194

Cash Flow Statement

for the year ended March 31, 2017

(₹ in lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	9,591.38	8,611.52
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation & Amortisation expense	416.51	369.53
Financial Expenses	3,232.10	2,282.70
Interest Income	(417.22)	(175.73)
Dividend Income	(1.01)	(2.00)
(Profit) / Loss on sale of Fixed Assets	(0.34)	0.72
Unrealised Foreign Exchange (Gain)/Loss	1.49	3.33
Provision for Leave Encashment	7.93	16.53
Provision for Gratuity	75.31	34.65
Liabilities no longer required written back	(19.12)	(0.83)
Bad Debts written off	22.75	24.50
Operating Profit Before Working Capital Changes	12,909.78	11,164.91
Adjustments for changes in Working Capital		
Trade & Other Receivables	(5,312.67)	(3,143.40)
Inventories	(11,356.53)	(9,586.66)
Increase/(Decrease) in Trade & Other Payables	(349.74)	50.43
Cash Generated from Operations	(4,109.17)	(1,514.72)
Taxes (Paid) / Rrefund (Net)	(1,838.15)	(2,690.43)
Cash used in operation	(5,947.32)	(4,205.15)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of fixed assets	0.34	3.20
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(795.38)	(491.07)
Dividend Income	1.01	2.00
Interest Income	417.22	175.73
Proceeds from sale of investments	-	5.00
Proceeds from sale of Mutual Funds	-	800.00
Investment in LLP	2.90	(4.55)
Loans given to subsidiaries	(20.97)	(893.68)
Cash flow from Investing Activities	(394.87)	(403.37)

Cash Flow Statement

for the year ended March 31, 2017

(₹ in lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from / (Repayment) of Long term Borrowings	(671.16)	2,259.14
Proceeds from / (Repayment) of Short term Borrowings	10,721.33	4,895.64
Dividend Paid	(380.55)	(324.25)
Tax on Dividend Paid	(77.47)	(66.41)
Financial Expenses	(3,242.98)	(2,282.70)
Cash flow from Financing activities	6,349.17	4,481.42
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6.98	(127.09)
Cash & Cash Equivalents at the beginning (Refer Note 2.16)	106.85	233.94
Cash & Cash Equivalents at the End (Refer Note 2.16)	113.83	106.85

As per our report of even date.

For and on behalf of the Board

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

Raman Maroo

Managing Director
DIN 00169152

Atul Maru

Jt. Managing Director
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S. Poosaidurai

Partner
Membership No.: 223754

Dipesh Gosar

Company Secretary
Membership No.:A23755

Hiren Gada

Whole Time Director & CFO
DIN 01108194

Place: Mumbai

Date: May 9, 2017

Place: Mumbai

Date: May 9, 2017

1 Significant Accounting Policies

a. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

c. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost including related internal costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a 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 assets 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

e. Intangible assets

Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. 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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f. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur except Bill Discounting charges which are being carried forward on time proportion basis.

g. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h. 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 long-term investments.

On 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 the 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. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize 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 and loss.

i. Inventories

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.

Raw Stock, Digital Video Discs/Compact Discs stock are stated at lower of cost or net realisable value.

The copyrights are valued at a certain percentage of cost based on the nature of rights. The Company 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.

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

j. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods (ACDs/VCDs/DVDs/BRDs) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods; net of returns, trade discounts and rebates. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Sale of rights

Sale of rights are recognised on the date of entering into agreement for the sale of the same, provided the Censor Certificate is in existence.

Income from services

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

Interest

Interest income is recognized 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.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Others

Revenues relating to complete Feature Films are recognised in the year of release of feature films.

The cost of drama covering the cost of purchase of copyrights and shooting expenses is expensed out as a certain percentage of total cost.

Revenue pertaining to release of music of film is recognized on the date of its release.

k. 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.

l. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with banks.

m. Foreign currency translation

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency as at balance sheet date are converted at the exchange rate prevailing on such date. Exchange differences arising from such translation are recognized in the Statement of Profit and Loss A/c.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the Employees provident fund and Employees pension fund are charged to the statement of profit and loss for the year when the

contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

Gratuity has been accounted on the basis of actuarial valuation and the contribution thereof paid / payable is charged to the Statement of Profit & Loss each year.

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability as on 31st March 2017.

o. Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer

reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Provisions

A provision is recognized when the company has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never realise.

Notes

(₹ in lacs), except as otherwise stated

Note 2.1

Share Capital

Authorised Share Capital:

Equity shares, Rs. 10/- par value

3,00,00,000 (Previous Year 3,00,00,000) Equity Shares

Issued, Subscribed and Fully Paid - up

Equity shares, Rs. 10/- par value

2,71,82,239 (Previous Year 2,71,82,239) Equity Shares fully paid up.

Total

	As at March 31, 2017	As at March 31, 2016
	<u>3,000.00</u>	<u>3,000.00</u>
	<u>2,718.22</u>	<u>2,718.22</u>
Total	<u>2,718.22</u>	<u>2,718.22</u>

The Company has only one class of shares referred to as equity shares having a par value of Rs.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.

i) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	27,182,239	2,718.22	27,182,239	2,718.22
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>27,182,239</u>	<u>2,718.22</u>	<u>27,182,239</u>	<u>2,718.22</u>

ii) Details of shareholders holding more than 5% shares:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Maroo	4,809,520	17.69%	4,809,520	17.69%
Mr. Atul Maru	4,809,520	17.69%	4,809,520	17.69%
Mr. Buddhichand Maroo	3,575,320	13.15%	3,575,320	13.15%
New Horizon Opportunities Master Fund	2,614,000	9.62%	-	-
Copthall Mauritius Investment Limited	-	-	2,374,000	8.73%
Technology And Media Group Pte. Ltd.	1,822,840	6.71%	1,822,840	6.71%
Total Shareholding	<u>17,631,200</u>	<u>64.86%</u>	<u>17,391,200</u>	<u>63.98%</u>

iii) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

- Aggregate number of shares allotted as fully paid-up pursuant to the contracts without payment being received in cash is NIL
- 1,48,86,678 equity shares were issued as bonus on 29th August, 2011 in the ratio of 3:1 and 41,10372 equity shares were issued as bonus on 26th March, 2011 in the ratio of 9:1.
- Aggregate number of shares bought back is NIL

Earnings Per Share (EPS)

Net Profit after tax (including post tax effect of Extraordinary Items) as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs)

Weighted Average number of equity shares used as denominator for calculating EPS

Basic and Diluted Earnings per share (Previous Year)

Face Value per equity share

	As at March 31, 2017	As at March 31, 2016
	6,167.63	5,543.05
	27,182,239	27,182,239
	22.69	20.39
	10.00	10.00

(₹ in lacs), except as otherwise stated

Note 2.2**Reserves & Surplus**

	As at March 31, 2017	As at March 31, 2016
a. Securities Premium Account As per last Balance Sheet	14,340.81	14,340.81
	<u>14,340.81</u>	<u>14,340.81</u>
b. General Reserve As per last Balance Sheet	2,112.81	1,974.24
Add: Transferred from surplus in Statement of Profit and Loss	-	138.58
	<u>2,112.81</u>	<u>2,112.81</u>
c. Surplus As per last Balance Sheet	18,027.19	13,080.74
(+) Profit for the year	6,167.63	5,543.05
Amount available for Appropriation	<u>24,194.82</u>	<u>18,623.79</u>
Appropriations:		
(-) Transfer to General reserve	-	(138.58)
(-) Proposed Dividend	-	(380.55)
(-) Tax on Proposed Dividend	-	(77.47)
	<u>24,194.82</u>	<u>18,027.19</u>
Total	<u>40,648.44</u>	<u>34,480.82</u>

Note 2.3**Long-term borrowings****Term loans (refer Note 2.8 for current maturities)**

	As at March 31, 2017	As at March 31, 2016
From banks		
Secured	497.28	2,291.29
Loan - Bill Discounting	750.00	-
Total	<u>1,247.28</u>	<u>2,291.29</u>

Nature of Security and terms of repayment for Long Term secured borrowings:			
	Nature of Security	Rate of Interest	Terms of Repayment
i)	Term loans from bank amounting to Rs. 12.43 lacs (March 31, 2016: Rs. 41.29 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.	Range from 10.30% to 9.46%	Repayable in equal monthly installments commencing as per repayment schedule of the bank.
ii)	Term loan taken from SBI amounting to Rs. 450 lacs (March 31, 2016: Rs. 2250 lacs) for purchasing specified copy rights.	10.80%	Repayable in quarterly installments of Rs.450 lakhs as scheduled.
iii)	Term loan taken from Federal Bank amounting to Rs. 34.85 lacs (March 31, 2016: Rs. NIL) for purchasing studio machinery.	10%	Repayable in equal monthly installments commencing as per repayment schedule of the bank.
iv)	Bill Discounting from bank amounting to Rs. 750 lacs (March 31, 2016: Rs. NIL) is secured by exclusive charge on specified receivables	10%	Repayment will take place against the maturity of the accepted and acknowledged bill of exchange.

(₹ in lacs), except as otherwise stated

Note 2.4**Deferred tax liability (Net)****Deferred Tax Liability**

Related to Fixed Assets

Allowances under the Income Tax Act, 1961

Total

	As at March 31, 2017	As at March 31, 2016
	429.89	422.20
	238.92	246.86
	<u>668.81</u>	<u>669.06</u>

Note 2.5**Long term provisions****Provision for Employee Benefits**

Provision for Group Gratuity

Provision for leave Encashment

Total

	As at March 31, 2017	As at March 31, 2016
	21.32	-
	75.07	67.15
	<u>96.39</u>	<u>67.15</u>

Note 2.6**Short-term borrowings****(a) Working Capital Loans from Banks (Secured)**

[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]

(b) Bank Overdraft

Unsecured

(c) Bill Discounting

Unsecured

(d) Loans and Advances (Unsecured)

- Directors

- Inter Corporate Deposits

Total

	As at March 31, 2017	As at March 31, 2016
	12,400.06	8,070.03
	7,463.38	5,223.30
	<u>7,463.38</u>	<u>5,223.30</u>
	750.00	-
	<u>750.00</u>	-
	4,135.00	1,688.16
	1,409.36	455.00
	<u>5,544.37</u>	<u>2,143.16</u>
	<u>26,157.82</u>	<u>15,436.49</u>

Note 2.7

Trade Payables other than MSME

Trade Payables - MSME

(refer note no 2.32 with respect to dues to micro and small enterprises)

Total

	As at March 31, 2017	As at March 31, 2016
	1,974.41	1,112.72
	-	-
	<u>1,974.41</u>	<u>1,112.72</u>

(₹ in lacs), except as otherwise stated

Note 2.8**Other current liabilities****(a) Current Maturities of Long-Term debt (Secured)**

Term Loan from Banks

(Term loans secured by hypothecation of the Motor Vehicles and Specified Copyrights)

(b) Short Term Loans

Unsecured

(c) Creditors for Capital Expenditure**(d) Interest Accrued and due****(e) Others***

* (includes Advance from customers, creditors for expenditure, deposit received , withholding and other taxes payables , unclaimed dues and other payables)

(f) Dividend Payable**Total**

	As at March 31, 2017	As at March 31, 2016
	2,206.86	1,834.01
	-	1,677.29
	126.13	74.53
	32.42	43.30
	689.09	295.64
	0.20	1.93
	3,054.70	3,926.70

Nature of Security and terms of repayment for Long Term secured borrowings:

	Nature of Security	Terms of Repayment
i)	Term loans from bank amounting to Rs. 28.86 lacs (March 31, 2016: Rs. 34.01 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.	Repayable in equal monthly installments commencing as per repayment schedules of the banks.
ii)	Term loan taken from SBI amounting to Rs. 1800 lacs (March 31, 2016: Rs. 1800 lacs) for purchasing specified copy rights.	Repayable in quarterly installments of Rs.450 lakhs as scheduled.
iii)	Term loan taken from Federal Bank amounting to Rs. 378 lacs (March 31, 2016: Rs. NIL) for purchasing studio machinery.	Repayable in equal monthly installments commencing as per repayment schedule of the bank.

Note 2.9**Short-term provisions****(a) Provision for Employee Benefits**

Provision for Group Gratuity

Provision for leave Encashment

Provision for E S I C

Provident Fund

Maharashtra Labour Welfare Fund

(b) Other Provisions

Provision for tax (Net of Advance Tax)

Proposed Dividend Payable

Provision for Tax on Proposed Equity Dividend

Total

	As at March 31, 2017	As at March 31, 2016
	102.78	48.78
	6.00	6.00
	1.55	0.59
	13.22	10.77
	0.01	0.01
	123.56	66.15
	2,339.22	870.93
	-	380.55
	-	77.47
	2,339.22	1,328.96
	2,462.78	1,395.11

(₹ in lacs)

Note 2.10: Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-Apr-2016	Additions	Deductions	As on 31-March-2017	As on 01-Apr-2016	For the year	Deductions	As on 31-March-2017	As on 31-March-2017	As on 31-March-2016
Tangible Assets										
Office Building*	981.96	2.17	-	984.13	189.99	16.01	-	206.00	778.13	791.97
Plant & Machinery	4,415.58	823.45	483.68	4,755.34	2,639.30	300.16	483.68	2,455.78	2,299.56	1,776.27
Furniture & Fixtures	431.16	80.17	-	511.33	346.23	40.67	-	386.90	124.43	84.93
Motor Vehicle	262.10	0.73	1.31	261.52	77.85	30.49	1.31	107.03	154.49	184.25
Total Tangible Assets (A)	6,090.80	906.52	485.00	6,512.32	3,253.38	387.33	485.00	3,155.71	3,356.61	2,837.43
Intangible Assets										
Software	299.96	27.06	4.00	323.02	208.01	29.18	4.00	233.19	89.83	91.95
Total In-Tangible Assets (B)	299.96	27.06	4.00	323.02	208.01	29.18	4.00	233.19	89.83	91.95
Total Assets (A) + (B)	6,390.76	933.58	489.00	6,835.34	3,461.38	416.51	489.00	3,388.89	3,446.44	2,929.38
Previous Year										
Tangible Assets	5,829.42	315.12	53.74	6,090.80	2,959.42	343.77	49.82	3,253.38	2,837.43	2,870.00
Intangible Assets	262.23	37.73	-	299.96	182.25	25.76	-	208.01	91.95	79.99
Total Assets (Previous Year)	6,091.65	352.85	53.74	6,390.76	3,141.67	369.53	49.82	3,461.38	2,929.38	2,949.99
Intangible assets under development										
Tangible Assets										130.24
Intangible Assets										7.99

*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.

(₹ in lacs), except as otherwise stated

Note 2.11**Non-current investments****Long Term Investments****(a) Trade Investments (valued at cost)****Unquoted equity instruments****- Investment in Subsidiary Companies**

- i) Shemaroo Entertainment INC, USA
200 (Previous Year: 200) Equity shares of no par value
- ii) Shemaroo Entertainment (UK) Private Ltd.
3600 (Previous Year: 3600) Equity shares of GBP 10/- each fully paid-up
- iii) Shemaroo Films Private Limited
1000000 (Previous Year: 1000000) Equity shares of Rs.10/- each fully paid-up

- Investment in Associate Company

- Vistaas Digital Media Private Limited
45000 (Previous Year: 45000) Equity shares of Rs. 10/- each fully paid-up

- Investment in Subsidiary LLP

- i) STTELLP
- ii) CMLLP
- iii) Investment in LLP (Current A/c)

(b) Other Investments (valued at cost)**Unquoted equity instruments**

- l) 50,000 (Previous Year 50,000) Equity shares of Rs.10/- each fully paid-up of
The N.K.G.S.B. Co-op. Bank Ltd.

Total**Aggregate amount of investments**

	As at March 31, 2017	As at March 31, 2016
	4.08	4.08
	26.88	26.88
	100.00	100.00
	1,061.39	1,061.39
	1.00	0.65
	0.65	0.65
	-	3.25
	<u>1,194.00</u>	<u>1,196.90</u>
	5.00	5.00
	<u>5.00</u>	<u>5.00</u>
	<u>1,199.00</u>	<u>1,201.90</u>
	<u>1,199.00</u>	<u>1,201.90</u>

Note 2.12**Long term loans and advances****(a) Security Deposit**

Unsecured Considered Good

(b) Other loans and advances

- Loans to employees
- Loans to Others

Total

	As at March 31, 2017	As at March 31, 2016
	31.51	36.97
	<u>31.51</u>	<u>36.97</u>
	-	5.51
	677.04	604.63
	<u>677.04</u>	<u>610.14</u>
	<u>708.55</u>	<u>647.11</u>

Note 2.13**Other non-current assets****Non-Current bank balances**

In Fixed Deposit (Maturity more than 12 months)

Other non-current assets

- Withholding and Other Taxes Receivable
- Balance with Customs, Central Excise Authorities

Total

	As at March 31, 2017	As at March 31, 2016
	7.50	7.50
	72.09	169.93
	106.91	106.91
	<u>186.50</u>	<u>284.34</u>

(₹ in lacs), except as otherwise stated

Note 2.14**Inventories**

- (a) Copyrights
 (b) Movies under Production
 (c) DVDs, VCDs & ACDs

Total

	As at March 31, 2017	As at March 31, 2016
	49,288.05	37,960.17
	331.83	263.04
	111.84	151.97
	<u>49,731.71</u>	<u>38,375.17</u>

Note 2.15**Trade receivables - Current****Unsecured, Considered good unless otherwise stated**

- a) More than six months
 b) Other receivables

Total

	As at March 31, 2017	As at March 31, 2016
	487.30	406.56
	18,594.23	10,271.98
	<u>19,081.54</u>	<u>10,678.55</u>

Note 2.16**Cash and cash equivalents**

- (a) Balances with Bank
 On Current Accounts
 (b) Cash on Hand
 (c) Other Balances with Bank
 Deposit with maturity of Less than 12 months but more than 3 months

Total

	As at March 31, 2017	As at March 31, 2016
	68.88	59.12
	3.48	9.73
	41.47	38.00
	<u>113.83</u>	<u>106.85</u>

Note 2.17**Short-term loans and advances**

- (a) Loans and advances to related parties
 Unsecured Considered Good (refer note no. 2.25)
 (b) Other loans and advances
 Loans to employees

Total

	As at March 31, 2017	As at March 31, 2016
	1,127.98	1,107.02
	<u>1,127.98</u>	<u>1,107.02</u>
	31.13	41.74
	<u>31.13</u>	<u>41.74</u>
	<u>1,159.11</u>	<u>1,148.75</u>

Note 2.18**Other current assets****Other current assets**

- Withholding and Other Taxes Receivable
 Advances paid for Supply of Goods and Rendering of Services
 Prepaid Expenses

Total

	As at March 31, 2017	As at March 31, 2016
	93.21	112.93
	3,191.62	6,404.31
	117.34	70.04
	<u>3,402.17</u>	<u>6,587.28</u>

(₹ in lacs), except as otherwise stated

Note 2.19**Revenue from operations**

- (a) Sale of Rights
 (b) Sale of Products
 (c) Income from Services
 (d) Other Operating Revenue

Total

For the year ended March 31, 2017	For the year ended March 31, 2016
40,512.81	36,170.98
256.01	531.79
572.85	691.20
132.98	89.61
41,474.65	37,483.57

Note 2.20**Other Income**

- (a) Interest
 (b) Dividend
 :- Others (Non-Trade Investments)
 (c) Others
 (d) Foreign Exchange Fluctuation Gain (net)

Total

For the year ended March 31, 2017	For the year ended March 31, 2016
417.22	175.73
1.01	2.00
57.07	17.27
-	15.08
475.30	210.08

Note 2.21**Direct Operational Expenses**

- (a) Purchases
 (b) Works Cost

Total

For the year ended March 31, 2017	For the year ended March 31, 2016
30,294.02	28,651.57
4,567.22	3,273.65
34,861.24	31,925.22

Note 2.22**Changes in inventories**

- (a) Inventories (at close)
 (b) Inventories (at commencement)

Total

For the year ended March 31, 2017	For the year ended March 31, 2016
49,731.71	38,375.17
38,375.17	28,788.51
(11,356.53)	(9,586.66)

Note 2.23**Employee benefit expense**

- Salaries, Bonus and Allowances
 Contribution to Provident & Other funds
 Staff Welfare Expenses

Total

For the year ended March 31, 2017	For the year ended March 31, 2016
2,778.96	2,092.16
177.14	127.06
74.96	49.35
3,031.06	2,268.56

Note 2.24**Finance costs****Interest expense**

- Borrowings

Other Borrowing Costs

- Bank & Other Finance Charges

Total

For the year ended March 31, 2017	For the year ended March 31, 2016
3,121.36	2,137.83
110.74	144.87
3,232.10	2,282.70

(₹ in lacs), except as otherwise stated

Note 2.25**Other expenses****Bad debts written off**

Business Development Expenses

Communication Expenses

Directors Sitting Fees

Donations

Electricity Expenses

Foreign Exchange Fluctuation Loss (net)

Interest on Government Dues

General Expenses

Insurance Charges

Legal, Professional and Consultancy Fees

Auditors Remuneration

Rents, Rates and Taxes

Repairs and Maintenance

Repairs and maintenance - Building

Repairs and maintenance - Machinery

Repairs and maintenance - Others

Security Charges

Selling Expenses

Travelling & Conveyance

Loss on Sale of Fixed Assets

Total

	For the year ended March 31, 2017	For the year ended March 31, 2016
	22.75	24.50
	40.73	86.86
	61.64	47.71
	3.40	3.20
	14.70	85.98
	149.61	149.71
	52.08	-
	60.39	5.20
	734.03	552.11
	57.09	51.31
	378.53	262.91
	9.50	10.75
	43.38	35.34
	32.50	22.17
	6.62	92.30
	128.40	-
	36.13	28.15
	175.83	249.21
	167.21	114.67
	(0.34)	0.72
Total	2,174.19	1,822.80

2.25 Related party disclosures**a Names of related parties and description of relationship Subsidiaries:**

Shemaroo Entertainment INC, USA
 Shemaroo Entertainment (UK) Private Ltd.
 Shemaroo Films Private Limited
 Contentino Media LLP
 Shemaroo Think Tank Entertainment LLP

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
 Mr. Ankit Singh

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

b Related party transactions Refer Note b.

Note 2.26

b. The Nature of significant related party transactions and the amounts involved are as follows: -

(₹ in lacs), except as otherwise stated

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 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
Purchase of Goods & Services	-	-	-	-	-	-	-	-	-	-	-	-
Sneha Arts	-	-	-	-	-	-	149.02	180.07	20.73	72.35	169.75	252.41
Think Walnut Digital Private Limited	-	-	-	-	-	-	27.64	40.91	-	-	27.64	40.91
Vistaas Digital Media Private Limited	-	-	-	-	-	-	121.38	139.16	-	-	121.38	139.16
Shemaroo Films Private Limited	-	-	-	-	-	-	-	-	20.73	72.35	20.73	72.35
Sale of Goods & Services	43.78	19.83	-	-	-	-	-	-	-	-	43.78	19.83
Shemaroo Entertainment (UK) Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Contentino Media LLP	43.78	19.83	-	-	-	-	-	-	-	-	43.78	19.83
Dividend	-	-	229.40	196.87	-	-	25.52	21.87	-	-	254.92	218.74
Buddhichand Maroo	-	-	50.05	42.90	-	-	-	-	-	-	50.05	42.90
Raman Maroo	-	-	67.33	57.71	-	-	-	-	-	-	67.33	57.71
Atul Maru	-	-	67.33	57.71	-	-	-	-	-	-	67.33	57.71
Jai Maroo	-	-	17.28	14.81	-	-	-	-	-	-	17.28	14.81
Hiren Gada	-	-	22.97	19.69	-	-	-	-	-	-	22.97	19.69
Vinod Karani	-	-	1.61	1.38	-	-	-	-	-	-	1.61	1.38
Hemant Karani	-	-	0.92	0.79	-	-	-	-	-	-	0.92	0.79
Bipin Dharod	-	-	0.29	0.49	-	-	-	-	-	-	0.29	0.49
Ketan Maru	-	-	1.15	0.98	-	-	-	-	-	-	1.15	0.98
Harakhchand Gada	-	-	0.46	0.39	-	-	-	-	-	-	0.46	0.39
Technology and Media Group PTE. Ltd.	-	-	-	-	-	-	25.52	21.87	-	-	25.52	21.87
Salaries	-	-	328.05	304.62	10.11	12.27	-	-	-	-	338.16	316.90
Bipin Dharod	-	-	32.40	30.28	-	-	-	-	-	-	32.40	30.28
Hemant Karani	-	-	55.40	55.20	-	-	-	-	-	-	55.40	55.20
Ketan Maroo	-	-	38.40	36.23	-	-	-	-	-	-	38.40	36.23
Harakhchand Gada	-	-	27.40	25.15	-	-	-	-	-	-	27.40	25.15
Vinod Karani	-	-	102.39	86.44	-	-	-	-	-	-	102.39	86.44
Smita Maroo	-	-	29.87	29.83	-	-	-	-	-	-	29.87	29.83
Mansi Maroo	-	-	4.69	4.63	-	-	-	-	-	-	4.69	4.63
Madhuri Gada	-	-	-	-	10.11	9.69	-	-	-	-	10.11	9.69
Nirvi Maru	-	-	-	-	-	2.58	-	-	-	-	-	2.58
Kranti Gada	-	-	18.12	17.74	-	-	-	-	-	-	18.12	17.74

Note 2.26

(₹ in lacs), except as otherwise stated

b. The Nature of significant related party transactions and the amounts involved are as follows: -

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 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
	Ankit Singh	-	-	11.60	19.12	-	-	-	-	-	-	11.60
Dipesh Gosar	-	-	7.80	-	-	-	-	-	-	-	7.80	-
Directors Sitting Fees	-	-	1.60	1.40	-	-	-	-	-	-	1.60	1.40
Jai Maroo	-	-	0.80	0.80	-	-	-	-	-	-	0.80	0.80
Buddhichand Maroo	-	-	0.80	0.60	-	-	-	-	-	-	0.80	0.60
Remuneration to Directors	-	-	117.52	115.11	-	-	-	-	-	-	117.52	115.11
Raman Maroo	-	-	42.51	41.66	-	-	-	-	-	-	42.51	41.66
Atul Maru	-	-	42.51	41.66	-	-	-	-	-	-	42.51	41.66
Hiren Gada	-	-	32.51	31.79	-	-	-	-	-	-	32.51	31.79
Interest Paid (on Loans)	-	-	387.98	157.83	-	-	-	-	-	-	387.98	157.83
Raman Maroo	-	-	165.99	72.58	-	-	-	-	-	-	165.99	72.58
Atul Maru	-	-	198.92	69.19	-	-	-	-	-	-	198.92	69.19
Hiren Gada	-	-	1.12	0.12	-	-	-	-	-	-	1.12	0.12
Buddhichand Maroo	-	-	3.13	-	-	-	-	-	-	-	3.13	-
Jai Maroo	-	-	18.82	15.94	-	-	-	-	-	-	18.82	15.94
Interest Received On Loan	178.80	52.20	-	-	-	-	-	-	-	-	178.80	52.20
Shemaroo Entertainment (UK) Pvt. Ltd.	34.39	31.90	-	-	-	-	-	-	-	-	34.39	31.90
Shemaroo Entertainment INC, USA	0.68	0.55	-	-	-	-	-	-	-	-	0.68	0.55
Shemaroo Think Tank Entertainment LLP (Loan)	114.55	17.44	-	-	-	-	-	-	-	-	114.55	17.44
Contentino Media LLP (Loan)	29.19	2.31	-	-	-	-	-	-	-	-	29.19	2.31
Advances / Loans Given during the year	605.84	841.57	20.00	15.00	-	-	-	-	-	-	625.84	856.57
Shemaroo Entertainment (UK) Pvt. Ltd.	55.06	83.96	-	-	-	-	-	-	-	-	55.06	83.96
Shemaroo Entertainment INC, USA	1.70	-	-	-	-	-	-	-	-	-	1.70	-
Shemaroo Think Tank Entertainment LLP (Loan)	347.76	620.66	-	-	-	-	-	-	-	-	347.76	620.66
Contentino Media LLP (Loan)	201.31	136.95	-	-	-	-	-	-	-	-	201.31	136.95
Vinod Karani	-	-	20.00	15.00	-	-	-	-	-	-	20.00	15.00

Note 2.26

(₹ in lacs), except as otherwise stated

b. The Nature of significant related party transactions and the amounts involved are as follows: -

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 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
Loans Taken during the year												
Atul Maru	-	1,353.85	2,985.79	1,353.85	-	-	-	-	-	-	2,985.79	1,353.85
Buddhichand Maroo	-	698.25	1,671.66	698.25	-	-	-	-	-	-	1,671.66	698.25
Jai Maroo	-	14.30	24.78	14.30	-	-	-	-	-	-	50.00	-
Raman Maroo	-	641.30	1,219.35	641.30	-	-	-	-	-	-	24.78	14.30
Hiren Gada	-	-	20.00	-	-	-	-	-	-	-	1,219.35	641.30
Other Income												
Shemaroo Corporation	-	-	-	-	-	-	0.69	0.69	-	-	-	-
Loans Repaid during the year												
Atul Maru	-	699.97	746.77	699.97	-	-	-	-	-	-	746.77	699.97
Hiren Gada	-	355.60	462.66	355.60	-	-	-	-	-	-	462.66	355.60
Jai Maroo	-	8.52	6.00	8.52	-	-	-	-	-	-	6.00	8.52
Raman Maroo	-	8.00	5.30	8.00	-	-	-	-	-	-	5.30	8.00
Loans Repaid by the Related Parties												
Shemaroo Entertainment (UK) Pvt. Ltd.	635.84	-	30.35	9.50	-	-	-	-	-	-	666.19	9.50
Shemaroo Think Tank Entertainment LLP	303.09	-	-	-	-	-	-	-	-	-	303.09	-
Vinod Karani	332.75	-	-	9.50	-	-	-	-	-	-	332.75	-
Dues from Related Parties												
Shemaroo Entertainment INC, USA	1,170.86	1,152.53	4.65	15.00	-	-	-	-	-	-	1,175.51	1,167.53
Shemaroo Entertainment (UK) Pvt. Ltd.	8.71	6.57	-	-	-	-	-	-	-	-	8.71	6.57
Vinod Karani	-	349.00	-	15.00	-	-	-	-	-	-	-	349.00
Shemaroo Think Tank Entertainment LLP	754.46	636.35	-	-	-	-	-	-	-	-	4.65	15.00
Contentino Media LLP (Loan)	366.61	160.60	-	-	-	-	-	-	-	-	754.46	636.35
Contentino Media LLP	41.08	-	-	-	-	-	-	-	-	-	366.61	160.60
Dues to Related Parties												
Atul Maru	92.75	94.16	4,135.00	1,688.16	-	-	89.53	60.71	16.91	33.03	4,334.20	1,876.06
Buddhichand Maroo	-	-	2,094.94	777.59	-	-	-	-	-	-	2,094.94	777.59
Hiren Gada	-	-	52.80	-	-	-	-	-	-	-	52.80	-
Jai Maroo	-	-	15.00	139.12	-	-	-	-	-	-	15.00	-
	-	-	167.69	-	-	-	-	-	-	-	167.69	139.12

Note 2.26

b. The Nature of significant related party transactions and the amounts involved are as follows: -

(₹ in lacs), except as otherwise stated

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 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
Raman Maroo	-	-	1,804.57	771.45	-	-	-	-	-	-	1,804.57	771.45
Sneha Arts	-	-	-	-	-	-	18.39	25.60	-	-	18.39	25.60
Think Walnut Digital Private Limited	-	-	-	-	-	-	71.15	35.11	-	-	71.15	35.11
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	16.91	33.03	16.91	33.03
Shemaroo Films Private Limited	92.75	94.16	-	-	-	-	-	-	-	-	92.75	94.16
Investment Done During The Year	0.35	1.30	-	-	-	-	-	-	-	-	0.35	1.30
Shemaroo Think Tank Entertainment LLP	0.35	0.65	-	-	-	-	-	-	-	-	0.35	0.65
Contentino Media LLP (Loan)	-	0.65	-	-	-	-	-	-	-	-	-	0.65
Personal Guarantees Taken against Bank Loans	-	-	88,200.00	72,500.00	-	-	34,000.00	34,000.00	-	-	122,200.00	106,500.00
Atul Maru	-	-	18,600.00	14,500.00	-	-	-	-	-	-	18,600.00	14,500.00
Buddhichand Maroo	-	-	17,000.00	14,500.00	-	-	-	-	-	-	17,000.00	14,500.00
Jai Maroo	-	-	17,000.00	14,500.00	-	-	-	-	-	-	17,000.00	14,500.00
Raman Maroo	-	-	18,600.00	14,500.00	-	-	-	-	-	-	18,600.00	14,500.00
Hiren Gada	-	-	17,000.00	14,500.00	-	-	-	-	-	-	17,000.00	14,500.00
Buddhichand H. Maroo (HUF)	-	-	-	-	-	-	17,000.00	17,000.00	-	-	17,000.00	17,000.00
Shemaroo Corporation	-	-	-	-	-	-	17,000.00	17,000.00	-	-	17,000.00	17,000.00

2.27 Value of imports calculated on CIF basis in respect of

(₹ in lacs), except as otherwise stated

Particulars	31-Mar-17	31-Mar-16
Components and spare parts	28.94	1.77
	<u>28.94</u>	<u>1.77</u>

2.28 Expenditure in foreign currency

Particulars	31-Mar-17	31-Mar-16
Royalty	7.02	85.72
Dividend	-	22.48
Others	2,977.41	630.83
	<u>2,984.43</u>	<u>739.03</u>

2.29 Net dividend remitted in foreign exchange

Year of remittance (ending on)	31-Mar-17	31-Mar-16
Period to which it relates	2015-16	2014-15
Number of non-resident shareholders	3	2
Number of equity shares held on which dividend was due	2,026,784	1,873,476
Amount remitted	<u>28.07</u>	<u>22.48</u>

2.30 Earnings in foreign currency

Year of remittance (ending on)	31-Mar-17	31-Mar-16
Exports at F.O.B. Value	2,947.65	2,477.08
	<u>2,947.65</u>	<u>2,477.08</u>

2.31 Payment to auditor

Year of remittance (ending on)	31-Mar-17	31-Mar-16
As Auditor:		
Audit fee	9.50	10.75
Tax audit fee		
In other capacity:		
Other services (certification fees)	0.50	0.60
Reimbursement of expenses	1.91	2.67
	<u>11.91</u>	<u>14.02</u>

The figures mentioned above are exclusive of Service Tax.

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

There are no amounts payable / or claims from suppliers in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 and therefore, no disclosures have been made in the financial statements.

2.33 Custom duty and interest thereon aggregating Rs.1,04,24,082/-, is paid under protest in the Financial Year Ended 31.03.2008. The same is included in Short Term Loans & Advances.

2.34 An amount of Rs. 3,37,369/- standing as Current Liability 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, Fort Branch, Mumbai, Refund Bankers to the IPO.

(₹ in lacs), except as otherwise stated

2.35 Gratuity Benefits as per AS 15 (Revised)

Particulars	31-Mar-17	31-Mar-16
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method
Data Summary and Analysis		
Number of Employees	454	391
Total Monthly Salary	102.78	78.83
Average Salary	22,638.03	20,160.96
Average Age	34.17 years	33.88 years
Average Past Service	5.54 years	5.61 years
Valuation Results	335.87	279.01
Discontinuance Liability	362.27	274.66
Other Results		
Average Future Service	17 years	17 years
Current & Non-Current Liability		
Funding Status	Funded	Funded
Fund Balance	238.17	225.88
Current Liability	102.78	48.78
Non-Current Liability	21.32	-
Valuation Assumptions		
(i) Financial Assumptions		
Salary Escalation Rate :	8.00% p.a.	8.00% p.a.
Discount Rate :	7.34% p.a. (indicative G.Sec referenced on 31/03/2017)	8.08% p.a. (indicative G.Sec referenced on 31/03/2016)
(ii) Demographic Assumptions		
Mortality Rate :	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate :	3.00% p.a. for all service groups	3.00% p.a. for all service groups
Valuation Inputs		
Retirement Age	60 years	60 years
Vesting Period	5 years	5 years

Benefit Scheme (2016-17)

15 days salary for each year of service subject to a maximum of Rs. 10,00,000/-
The formula to calculate day's salary is $1/26 \times$ monthly salary

Contribution to Defined Contribution Plans, recognised as expense, is as under:

Particulars	31-Mar-17	31-Mar-16
Employer's Contribution to Provident Fund	79.29	64.36
	<u>79.29</u>	<u>64.36</u>

2.36 The Company has identified "Entertainment" as the only primary reportable business segment. The Company has no geographical segment other than India.

2.37 Contingent Liabilities

Particulars	31-Mar-17	31-Mar-16
Disputed Direct Tax Demands	148.41	97.59
Disputed Indirect Tax Demands	154.64	154.64
Legal Cases against the company	136.40	243.07
	<u>439.46</u>	<u>495.31</u>

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.

2.38 Disclosure of Specified Bank Notes (SBN)

Details of Specified Bank Notes (SBN) held and transacted during the period: November 8, 2016 to December 30, 2016 as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	989,000	8,414	997,414
(+) Permitted receipts	-	580,300	580,300
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	989,000	518,432	1,507,432
Closing cash in hand as on 30.12.2016	-	70,282	70,282

2.39 The Management has recommended dividend of Rs. 1.40 per fully paid-up equity shares of Rs. 10 each (i.e. 14% of the paid-up equity share capital of Company) as final dividend for financial year 2016-17.

2.40 Others

Previous year figures are rearranged or regrouped wherever necessary to confirm to current year's presentation.

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: May 9, 2017

For and on behalf of the Board

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai

Date: May 9, 2017

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

Whole Time Director & CFO
DIN 01108194

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shemaroo Entertainment Limited and its subsidiaries and Associates ("the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors / Management of the companies / entities in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub – paragraph (a) of the other matters specified below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2017, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Other Matters:

We did not audit the financial statements of a subsidiary company whose financials statements reflect total asset of ₹ 42.43 lakhs as at 31st March, 2017, total Revenue of ₹ 445.65 lakhs and net cash flows amounting to ₹ 22.88 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 a subsidiary company and 2 subsidiary LLPs whose financial statements reflect total assets of ₹ 615.76 lakhs as at 31st March 2017, total Revenue of ₹ 676.65 lakhs and net cash flows amounting to ₹ (35.61) 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 two 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 subsidiary 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 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

1. 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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, 2017 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 were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.

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

S. Poosaidurai
Partner

Chartered Accountants
Membership No. 223754

Date: May 9, 2017

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 Holding Company") and its subsidiary and associates companies incorporated in India as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies including associates incorporated in India are 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 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 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 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 Holding Company and its subsidiary companies including associates which are companies incorporated in India have, 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, 2017, 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 9, 2017
Place: Mumbai

Consolidated Balance Sheet

As At March 31, 2017

(₹ in lacs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	2,718.22	2,718.22
(b) Reserves and Surplus	2.2	39,944.73	33,774.33
		42,662.95	36,492.56
Minority Interest		(318.95)	(81.67)
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	1,247.28	2,291.29
(b) Deferred tax liability (Net)	2.4	668.81	669.06
(c) Long term provisions	2.5	96.39	67.15
		2,012.48	3,027.49
(3) Current Liabilities			
(a) Short-term borrowings	2.6	26,157.82	15,436.49
(b) Trade payables	2.7	1,946.67	1,052.03
(c) Other current liabilities	2.8	3,158.98	3,949.21
(d) Short-term provisions	2.9	2,462.78	1,395.11
		33,726.25	21,832.83
Total		78,082.73	61,271.21
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2.10		
(i) Tangible assets		3,370.75	2,845.11
(ii) Intangible assets		106.24	113.83
(iii) Capital Work in Progress		-	130.24
(iv) Intangible assets under development		-	7.99
(b) Non-current investments	2.11	722.63	807.39
(c) Long term loans and advances	2.12	716.62	647.11
(d) Other non-current assets	2.13	186.50	284.34
		5,102.74	4,836.00
(2) Current assets			
(a) Inventories	2.14	50,043.62	38,764.20
(b) Trade receivables	2.15	19,137.06	10,691.21
(c) Cash and cash equivalents	2.16	188.74	194.49
(d) Short-term loans and advances	2.17	30.68	133.18
(e) Other current assets	2.18	3,579.88	6,652.13
		72,979.99	56,435.21
Total		78,082.73	61,271.21
Significant Accounting Policies Notes to the Financial Statements	1 & 2		

As per our report of even date.

For and on behalf of the Board

For M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Dipesh Gosar
Company Secretary
Membership No.:A23755

Hiren Gada
Whole Time Director & CFO
DIN 01108194

Place: Mumbai
Date: May 9, 2017

Place: Mumbai
Date: May 9, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in lacs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
INCOME			
Revenue from operations	2.19	42,553.17	37,505.59
Other Income	2.20	296.78	157.94
I. Total Revenue		42,849.95	37,663.52
EXPENDITURE			
Direct Operational Expenses	2.21	35,658.33	32,410.07
Changes in inventories	2.22	(11,280.23)	(9,895.48)
Employee benefit expense	2.23	3,113.97	2,346.82
Financial costs	2.24	3,232.99	2,282.70
Depreciation	2.10	427.78	373.81
Other expenses	2.25	2,304.82	1,876.21
II. Total Expenses		33,457.67	29,394.12
Profit before tax	(I - II)	9,392.28	8,269.40
Tax expense:			
(1) Current tax			
- Income Tax		3,424.00	3,082.02
(2) Deferred tax	2.4	(0.25)	(13.55)
Profit for the year		5,968.53	5,200.94
Minority interest (profit) /loss		264.53	81.67
Share of Profit / (Loss) in Associate Company		(84.76)	(67.80)
Profit for the year after adjusting reserves of Associate		6,148.30	5,214.81
Earning per equity share:			
(1) Basic	2.1	22.62	19.18
(2) Diluted	2.1	22.62	19.18
Significant Accounting Policies Notes to the Financial Statements	1 & 2		

As per our report of even date.

For and on behalf of the Board

For M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Dipesh Gosar
Company Secretary
Membership No.:A23755

Hiren Gada
Whole Time Director & CFO
DIN 01108194

Place: Mumbai
Date: May 9, 2017

Place: Mumbai
Date: May 9, 2017

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(₹ in lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	9,392.28	8,269.40
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation & Amortisation expense	427.78	373.81
Financial Expenses	3,122.25	2,335.25
Interest Income	(238.42)	(175.74)
Dividend Income	(1.01)	(2.00)
(Profit) / Loss on sale of Tangible Fixed Assets	(0.34)	0.72
Unrealised Foreign Exchange (Gain)/Loss	26.51	(1.21)
Provision for Leave Encashment	7.93	16.53
Provision for Gratuity	75.31	34.65
Liabilities no longer required written back	0.28	(0.83)
Bad Debts written off	22.75	26.44
Operating Profit Before Working Capital Changes	12,835.32	10,877.02
Adjustments for changes in Working Capital		
Trade & Other Receivables	(5,298.32)	(3,327.56)
Inventories	(11,279.42)	(9,895.72)
Trade & Other Payables	(316.39)	91.67
Cash Generated from Operations	(4,058.81)	(2,254.59)
Taxes (Paid) / Refund (Net)	(1,838.14)	(2,690.43)
Cash used in operation	(5,896.95)	(4,945.01)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of fixed assets	(1.32)	3.20
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(807.93)	(524.83)
Dividend Income	1.01	2.00
Interest Income	238.42	175.74
Proceeds from sale of investments	-	5.00
(Investment) / Sale of Mutual Funds	-	800.00
(Investment) in Subsidiary LLPs	-	(4.55)
Loans given to LLP subsidiaries	-	(893.68)
Cash flow from Investing Activities	(569.82)	(437.12)

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(₹ in lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Proceeds from Issuance of Share Capital	-	7.48
Proceeds from / (Repayment) of Long term Borrowings	(671.15)	2,259.14
Proceeds from / (Repayment) of Short term Borrowings	10,721.33	5,789.32
Dividend Paid	(380.55)	(324.25)
Tax on Dividend Paid	(77.47)	(66.41)
Financial Expenses	(3,131.13)	(2,335.25)
Cash flow from Financing activities	6,461.03	5,330.02
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5.75)	(52.11)
Cash & Cash Equivalents at the beginning (Refer Note 2.16)	194.49	246.60
Cash & Cash Equivalents at the End (Refer Note 2.16)	188.74	194.49

As per our report of even date.

For and on behalf of the Board

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: May 9, 2017

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai

Date: May 9, 2017

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

Whole Time Director & CFO
DIN 01108194

1 Background

Shemaroo Entertainment Limited was incorporated under the laws of India on December 23, 2005.

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 Mar 2017	31 st Mar 2016
Shemaroo Entertainment Inc. Wholly owned Subsidiary	15 th March, 2007	United States of America	100%	100%
Shemaroo Entertainment (UK) Pvt. Ltd Wholly owned Subsidiary	8 th July, 2009	United Kingdom	100%	100%
Shemaroo Films Pvt. Ltd 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%	65%
Vistaas Digital Media Private Limited Associate Company	17 th September, 2009	India	50%	50%

I Significant Accounting Policies

a. Basis of preparation of Consolidated Financial Statements:

"The consolidated financial statement have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable."

The Consolidated Financial statements relate to Shemaroo Entertainment Limited ('the Company'), its subsidiary companies and 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 as per Accounting Standard 21 - "Consolidated Financial Statements". In accordance with the Standard, the losses applicable to the minority, to the extent, if it exceeds, the minority's interest in the Equity of the subsidiary, has been adjusted against the majority interest.

ii) In respect of associate company, the financial statements have been consolidated as per Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" following the Equity Method for Consolidation of Associates.

iii) The excess of cost to the Company of its investment in the subsidiary company over the Company's share of net assets of the subsidiary company is recognised in the financial statements as goodwill, which is tested for impairment at each balance sheet date. The excess of Company's share of net assets of the subsidiary company over the cost of acquisition is treated as capital reserve.

iv) 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.

v) The translations of financial statements into Indian Rupees relating to non-integral foreign operations have been carried out using the following procedures:

- assets and liabilities have been translated at closing exchange rates at the year end; and
- income and expenses have been translated at

an average of monthly exchange rates.

The resultant translation exchange gain/(loss) has been disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.

- vi) 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.

b. Use of estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

c. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost including related internal costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted from arriving at the purchase price. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalised."

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a 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. However, it was not practicable to use uniform accounting policies for depreciation in the case of following subsidiary:

Asset Head	Depreciation Rates
Plant & Machinery	Shemaroo Entertainment (UK) Pvt. Ltd 33.33%

e. Intangible assets

Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. 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.

f. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur except Bill Discounting charges which are being carried forward on time proportion basis.

g. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h. 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 long-term investments.

On 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 the 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. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize 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 and loss.

i. Inventories

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.

Raw Stock, Digital Video Discs/Compact Discs stock are stated at lower of cost or net realisable value.

The copyrights are valued at a certain percentage of cost based on the nature of rights. 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.

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

j. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods (ACDs/VCDs/DVDs/ACS/BRDs) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods; net of returns, trade discounts and rebates. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Sale of rights

Sale of rights are recognised on the date of entering into agreement for the sale of the same, provided the Censor Certificate is in existence.

Income from services

Revenues from services are recognized when contractual commitments are delivered in full net of returns, trade discounts and rebates. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Interest

Interest income is recognized 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.

Dividends

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

Others

Revenues relating to complete Feature Films are recognised in the year of release of feature films.

The cost of drama covering the cost of purchase of copyrights and shooting expenses is expensed out as a certain percentage of total cost.

Revenue pertaining to release of music of film is recognized on the date of its release.

k. 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.

l. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with banks.

m. Foreign currency translation

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency as at balance sheet date are converted at the exchange rate prevailing on such date. Exchange differences arising from such translation are recognized in the Statement of Profit and Loss A/c.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the Employees provident fund and Employees pension fund are charged to the statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

Gratuity has been accounted on the basis of actuarial valuation and the contribution thereof paid / payable is charged to the Statement of Profit & Loss Account each year.

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability as on 31st March, 2017

Except of the Associate Company, Vistaas Digital Media Private Limited all policies are conformity with that of the Group Policy.

o. Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Provisions

A provision is recognized when the Group has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never realise.

Notes

(₹ in lacs), except as otherwise stated

Note 2.1

Share Capital

Authorised Share Capital:

Equity shares, Rs. 10/- par value

3,00,00,000 (Previous Year 3,00,00,000) Equity Shares

Issued, Subscribed and Fully Paid - up

Equity shares, Rs. 10/- par value

2,71,82,239 (Previous Year 2,71,82,239) Equity Shares fully paid up.

Total

	As at March 31, 2017	As at March 31, 2016
	<u>3,000.00</u>	<u>3,000.00</u>
	<u>2,718.22</u>	<u>2,718.22</u>
Total	<u>2,718.22</u>	<u>2,718.22</u>

The Company has only one class of shares referred to as equity shares having a par value of Rs.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.

i) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	27,182,239	2,718.22	27,182,239	2,718.22
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>27,182,239</u>	<u>2,718.22</u>	<u>27,182,239</u>	<u>2,718.22</u>

ii) Details of shareholders holding more than 5% shares:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Maroo	4,809,520	17.69%	4,809,520	17.69%
Mr. Atul Maru	4,809,520	17.69%	4,809,520	17.69%
Mr. Buddhichand Maroo	3,575,320	13.15%	3,575,320	13.15%
New Horizon Opportunities Master Fund	2,614,000	9.62%	-	-
Cophthall Mauritius Investment Limited	-	-	2,374,000	8.73%
Technology And Media Group Pte. Ltd.	1,822,840	6.71%	1,822,840	6.71%
Total Shareholding	<u>17,891,920</u>	<u>64.86%</u>	<u>17,391,200</u>	<u>63.97%</u>

iii) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

- Aggregate number of shares allotted as fully paid-up pursuant to the contracts without payment being received in cash is NIL
- 1,48,86,678 equity shares were issued as bonus on 29th August, 2011 in the ratio of 3:1 and 41,10372 equity shares were issued as bonus on 26th March, 2011 in the ratio of 9:1.
- Aggregate number of shares bought back is NIL

Earnings Per Share (EPS)

Net Profit after tax (including post tax effect of Extraordinary Items) as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs)

Weighted Average number of equity shares used as denominator for calculating EPS

Basic and Diluted Earnings per share

Face Value per equity share

	As at March 31, 2017	As at March 31, 2016
	6,148.30	5,214.81
	27,182,239	27,182,239
	22.62	19.18
	10.00	10.00

(₹ in lacs), except as otherwise stated

	As at March 31, 2017	As at March 31, 2016
Note 2.2		
Reserves & Surplus		
a. Securities Premium Account		
As per last Balance Sheet	14,340.81	14,340.81
	14,340.81	14,340.81
b. General Reserve		
As per last Balance Sheet	2,112.81	1,974.24
Add: Transferred from surplus in Statement of Profit and Loss	-	138.58
	2,112.81	2,112.81
c. Foreign Currency Translation reserve (loss)	30.46	8.37
d. Surplus		
As per last Balance Sheet	17,312.34	12,694.13
(+) Profit for the year	6,148.30	5,214.81
Amount available for Appropriation	23,460.64	17,908.94
Appropriations:		
(-) Transfer to General reserve	-	(138.58)
(-) Proposed Dividend	-	(380.55)
(-) Tax on Proposed Dividend	-	(77.47)
	23,460.64	17,312.34
Total	39,944.73	33,774.33

Note 2.3**Long-term borrowings****Term loans (refer Note 2.8 for current maturities)**

From banks

Secured

Bill Discounting

Total

	As at March 31, 2017	As at March 31, 2016
	497.28	2,291.29
	750.00	-
Total	1,247.28	2,291.29

Nature of Security and terms of repayment for Long Term secured borrowings:			
	Nature of Security	Rate of Interest	Terms of Repayment
i)	Term loans from bank amounting to Rs. 12.43 lacs (March 31, 2016: Rs. 41.29 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.	Range from 10.30% to 9.46%	Repayable in equal monthly installments commencing as per repayment schedule of the bank.
ii)	Term loan taken from SBI amounting to Rs. 450 lacs (March 31, 2016: Rs. 2250 lacs) for purchasing specified copy rights.	10.80%	Repayable in quarterly installments of Rs.450 lakhs as scheduled.
iii)	Term loan taken from Federal Bank amounting to Rs. 34.85 lacs (March 31, 2016: Rs. NIL) for purchasing studio machinery.	10%	Repayable in equal monthly installments commencing as per repayment schedule of the bank.
iv)	Bill Discounting from bank amounting to Rs. 750 lacs (March 31, 2016: Rs. NIL) is secured by exclusive charge on specified receivables	10%	Repayment will take place against the maturity of the accepted and acknowledged bill of exchange.

(₹ in lacs), except as otherwise stated

Note 2.4**Deferred tax liability (Net)****Deferred Tax Liability**

Related to Fixed Assets

Allowances under the Income Tax Act, 1961

Total

	As at March 31, 2017	As at March 31, 2016
	429.89	422.20
	238.92	246.86
	<u>668.81</u>	<u>669.06</u>

Note 2.5**Long term provisions****Provision for Employee Benefits**

Provision for Group Gratuity

Provision for leave Encashment

Total

	As at March 31, 2017	As at March 31, 2016
	21.32	-
	75.07	67.15
	<u>96.39</u>	<u>67.15</u>

Note 2.6**Short-term borrowings****(a) Working Capital Loans from Banks (Secured)**

[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]

(b) Bank Overdraft

Unsecured

(c) Bill Discounting

Unsecured

(d) Loans and Advances (Unsecured)

- Directors

- Inter Corporate Deposits

Total

	As at March 31, 2017	As at March 31, 2016
	12,400.06	8,070.03
	<u>7,463.38</u>	<u>5,223.30</u>
	7,463.38	5,223.30
	<u>750.00</u>	-
	750.00	-
	4,135.00	1,688.16
	<u>1,409.36</u>	<u>455.00</u>
	<u>5,544.37</u>	<u>2,143.16</u>
	<u>26,157.82</u>	<u>15,436.49</u>

Note 2.7**Trade payables**

Trade Payables other than MSME

Trade Payables MSME

(refer note no 2.32 with respect to dues to micro and small enterprises)

Total

	As at March 31, 2017	As at March 31, 2016
	1,946.67	1,052.03
	-	-
	<u>1,946.67</u>	<u>1,052.03</u>

(₹ in lacs), except as otherwise stated

	As at March 31, 2017	As at March 31, 2016
Note 2.8		
Other current liabilities		
(a) Current Maturities of Long-Term debt (Secured)		
Term Loan from Banks	2,206.86	1,834.01
(b) Short Term Loans		
Unsecured	-	1,677.29
(c) Creditors for Capital Expenditure	126.13	74.53
(d) Interest Accrued and due	32.42	43.30
(e) Others*	793.37	318.14
* (includes Advance from customers, creditors for expenditure, deposit received , withholding and other taxes payables and other payables)		
(e) Dividend Payable	0.20	1.93
Total	<u>3,158.98</u>	<u>3,949.21</u>

Nature of Security and terms of repayment for Long Term secured borrowings:		
	Nature of Security	Terms of Repayment
i)	Term loans from bank amounting to Rs. 28.86 lacs (March 31, 2016: Rs. 34.01 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.	Repayable in equal monthly installments commencing as per repayment schedules of the banks.
ii)	Term loan taken from SBI amounting to Rs. 1800 lacs (March 31, 2016: Rs. 1800 lacs) for purchasing specified copy rights.	Repayable in quarterly installments of Rs.450 lakhs as scheduled.
iii)	Term loan taken from Federal Bank amounting to Rs. 378 lacs (March 31, 2016: Rs. NIL) for purchasing studio machinery.	Repayable in equal monthly installments commencing as per repayment schedule of the bank.

	As at March 31, 2017	As at March 31, 2016
Note 2.9		
Short-term provisions		
(a) Provision for Employee Benefits		
Provision for Group Gratuity	102.78	48.78
Provision for leave Encashment	6.00	6.00
Provision for E S I C	1.55	0.59
Provident Fund	13.22	10.77
Maharashtra Labour Welfare Fund	0.01	0.01
	<u>123.56</u>	<u>66.15</u>
(b) Other Provisions		
Provision for tax (Net of Advance Tax)	2,339.22	870.93
Proposed Equity Dividend	-	380.55
Provision for Tax on Proposed Equity Dividend	-	77.47
Total	<u>2,339.22</u>	<u>1,328.96</u>
	<u>2,462.78</u>	<u>1,395.11</u>

(₹ in lacs)

Note 2.10: Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As on 01-Apr-2016	Additions	Deductions	As on 31-March-2017	As on 01-Apr-2016	For the year	Deductions	As on 31-March-2017	As on 31-March-2016
Tangible Assets									
Office Building*	981.96	2.17	-	984.13	189.99	16.01	-	778.13	791.97
Plant & Machinery	4,425.22	831.40	484.01	4,772.61	2,641.26	307.21	485.39	2,309.54	1,783.96
Furniture & Fixtures	431.16	84.79	-	515.95	346.23	41.40	0.27	128.59	84.93
Motor Vehicle	262.10	0.73	1.31	261.52	77.85	30.49	1.31	154.49	184.25
Total Tangible Assets (A)	6,100.44	919.09	485.32	6,534.21	3,255.33	395.11	486.98	3,370.75	2,845.11
Intangible Assets									
Software	299.96	27.06	4.00	323.02	208.01	29.18	4.00	89.83	91.95
Trade Mark	25.00	-	-	25.00	3.13	5.47	-	16.41	21.88
Total In-Tangible Assets (B)	324.96	27.06	4.00	348.02	211.13	34.65	4.00	106.24	113.83
Total Assets (A) + (B)	6,425.40	946.16	489.33	6,882.23	3,466.46	429.76	490.98	3,476.99	2,958.93
Previous Year									
Tangible Assets	5,752.23	187.56	109.45	5,830.28	2,433.97	601.28	74.98	2,870.07	3,318.27
Intangible Assets	228.17	34.07	-	262.23	135.42	46.82	-	79.99	92.74
Previous Year	5,980.40	221.63	109.45	6,092.51	2,569.39	648.11	74.98	2,950.06	3,411.01
Capital WIP									
Tangible Assets									130.24
Intangible Assets									7.99

* Office Building Inculde 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.

(₹ in lacs), except as otherwise stated

Note 2.11**Non-current investments****Long Term Investments****(a) Trade Investments (valued at cost)****Unquoted equity instruments****- Investment in Associate Company**

Vistaas Digital Media Private Limited

45000 (Previous Year: 45000) Equity shares of Rs. 10/- each, fully paid-up

Add:- Goodwill

Less:- Share of Loss

Closing Balance as at period / year end**(b) Other Investments (valued at cost)**

l) 20,000 (Previous Year 20,000) Equity shares of Rs.10/- each fully paid-up of
The N.K.G.S.B. Co-op. Bank Ltd.

Total

Aggregate amount of unquoted investments

	As at March 31, 2017	As at March 31, 2016
	45.00	45.00
	1,016.39	1,016.39
	(343.76)	(259.00)
	<u>717.63</u>	<u>802.39</u>
	<u>5.00</u>	<u>5.00</u>
	<u>5.00</u>	<u>5.00</u>
	<u>722.63</u>	<u>807.39</u>
	<u>722.63</u>	<u>807.39</u>

Note 2.12**(a) Security Deposit**

Unsecured Considered Good

(b) Other loans and advances

Loans to Others

Loans to employees

Total

	As at March 31, 2017	As at March 31, 2016
	39.59	36.97
	<u>39.59</u>	<u>36.97</u>
	677.04	604.63
	-	5.51
	<u>677.04</u>	<u>610.14</u>
	<u>716.62</u>	<u>647.11</u>

Note 2.13**Other non-current assets****Non-Current bank balances**

In Fixed Deposit (Maturity more than 12 months)

Other non-current assets

Withholding and Other Taxes Receivable

Balance with Customs, Central Excise Authorities

Total

	As at March 31, 2017	As at March 31, 2016
	7.50	7.50
	72.09	169.93
	106.91	106.91
	<u>186.50</u>	<u>284.34</u>

Note 2.14**Inventories**

(a) Copyrights

(b) Movies under Production

(c) DVDs, VCDs & ACDs

Total

	As at March 31, 2017	As at March 31, 2016
	49,599.96	38,266.95
	331.83	345.28
	111.84	151.97
	<u>50,043.62</u>	<u>38,764.20</u>

(₹ in lacs), except as otherwise stated

Note 2.15**Trade receivables - Current****Unsecured, Considered good unless otherwise stated**

- a) More than Six months
b) Other receivables

Total

	As at March 31, 2017	As at March 31, 2016
	487.77	384.00
	18,649.28	10,307.22
	<u>19,137.06</u>	<u>10,691.21</u>

Note 2.16**Cash and cash equivalents****(a) Balances with Bank**

- On Current Accounts
Deposit with original maturity of less than three months

(b) Cash on Hand**(c) Other Balances with Bank**

- Deposit with maturity of Less than 12 months but more than 3 months

Total

	As at March 31, 2017	As at March 31, 2016
	102.22	145.71
	41.43	0.13
	3.62	10.65
	41.47	38.00
	<u>188.74</u>	<u>194.49</u>

Note 2.17**(a) Security Deposit**

- Unsecured Considered Good

(c) Loans and advances to related parties

- Unsecured Considered Good

(b) Advance recoverable in cash or kind

- Unsecured Considered Good

(d) Other loans and advances

- Loans to employees

Total

	As at March 31, 2017	As at March 31, 2016
	-	8.08
	-	8.08
	(0.45)	2.11
	(0.45)	2.11
	-	81.26
	-	81.26
	31.13	41.74
	31.13	41.74
	<u>30.68</u>	<u>133.18</u>

Note 2.18**Other current assets****Other current assets**

- Withholding and Other Taxes Receivable
Advances paid for Supply of Goods and Rendering of Services
Prepaid Expenses

Total

	As at March 31, 2017	As at March 31, 2016
	269.34	177.79
	3,192.21	6,404.31
	118.34	70.04
	<u>3,579.88</u>	<u>6,652.13</u>

	For the year ended March 31, 2017	For the year ended March 31, 2016
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Note 2.19**Revenue from operations**

- (a) Sale of Rights
(b) Sale of Products
(c) Income from Services
(d) Other Operating Revenue

Total

	41,576.86	36,192.99
	256.01	531.79
	587.32	691.20
	132.98	89.61
	<u>42,553.17</u>	<u>37,505.59</u>

(₹ in lacs), except as otherwise stated

Note 2.20**Other Income**

	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest	238.42	123.59
(b) Dividend		
Others (Non-Trade Investments)		
From Current Investments	1.01	1.10
Long Term Investments	-	0.90
(c) Others	57.35	17.27
(d) Foreign Exchange Fluctuation Gain (net)	-	15.08
Total	296.78	157.94

Note 2.21**Direct Operational Expenses**

	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Purchases	30,802.92	28,834.14
(b) Works Cost	4,855.41	3,575.94
Total	35,658.33	32,410.07

Note 2.22**Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Inventories (at close)	50,043.62	38,764.20
(b) Inventories (at commencement)	38,763.39	28,868.71
Total	(11,280.23)	(9,895.48)

Note 2.23**Employee benefit expense**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Bonus and Allowances	2,857.25	2,163.68
Contribution to Provident & Other funds	178.82	131.33
Staff Welfare Expenses	77.91	51.81
Total	3,113.97	2,346.82

Note 2.24**Financial costs****Interest expense**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Borrowings	3,122.25	2,137.83
Other Borrowing Costs		
Bank & Other Finance Charges	110.74	144.87
Total	3,232.99	2,282.70

(₹ in lacs), except as otherwise stated

Note 2.25**Other expenses**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Bad debts written off	22.75	26.44
Business Development Expenses	40.73	86.86
Communication Expenses	65.97	51.33
Directors Fees	3.40	3.20
Donations	14.70	85.98
Electricity Expenses	153.59	149.88
Foreign Exchange Fluctuation Loss (net)	52.08	-
Interest on Government Dues	60.39	5.20
General Expenses	752.14	560.19
Insurance Charges	57.09	51.31
Legal, Professional and Consultancy Fees	388.44	284.88
Auditors Remuneration	9.80	11.20
Rents, Rates and Taxes	72.52	40.51
Repairs and Maintenance		
Repairs and maintenance - Buildings	32.50	-
Repairs and maintenance - Machinery	6.62	22.17
Repairs and maintenance - Others	134.20	92.94
Security Charges	36.13	28.15
Selling Expenses	222.30	251.69
Travelling & Conveyance	179.79	123.57
Loss on Sale of Fixed Assets	(0.34)	0.72
Total	<u>2,304.82</u>	<u>1,876.21</u>

2.26 Related party disclosures**a Names of related parties and description of relationship**

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 Mr. Ankit Singh
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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

b Related party transactions Refer Note b.

Note 2.26

b. The Nature of significant related party transactions and the amounts involved are as follows: -

(₹ in lacs), except as otherwise stated

Particulars	Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
	Purchase of Goods & Services	-	-	149.02	180.07	20.73	72.35	169.75
Sneha Arts	-	-	27.64	40.91	-	-	27.64	40.91
Think Walnut Digital Private Limited	-	-	121.38	139.16	-	-	121.38	139.16
Vistaas Digital Media Private Limited	-	-	-	-	20.73	72.35	20.73	72.35
Dividend	229.40	196.87	25.52	21.87	-	-	254.92	218.74
Buddhichand Maroo	50.05	42.90	-	-	-	-	50.05	42.90
Raman Maroo	67.33	57.71	-	-	-	-	67.33	57.71
Atul Maru	67.33	57.71	-	-	-	-	67.33	57.71
Jai Maroo	17.28	14.81	-	-	-	-	17.28	14.81
Hiren Gada	22.97	19.69	-	-	-	-	22.97	19.69
Vinod Karani	1.61	1.38	-	-	-	-	1.61	1.38
Hemant Karani	0.92	0.79	-	-	-	-	0.92	0.79
Bipin Dharod	0.29	0.49	-	-	-	-	0.29	0.49
Ketan Maru	1.15	0.98	-	-	-	-	1.15	0.98
Harakhchand Gada	0.46	0.39	-	-	-	-	0.46	0.39
Technology and Media Group PTE. Ltd.	-	-	25.52	21.87	-	-	25.52	21.87
Salaries	328.05	304.62	-	-	-	-	328.05	304.62
Bipin Dharod	32.40	30.28	-	-	-	-	32.40	30.28
Hemant Karani	55.40	55.20	-	-	-	-	55.40	55.20
Ketan Maroo	38.40	36.23	-	-	-	-	38.40	36.23
Harakhchand Gada	27.40	25.15	-	-	-	-	27.40	25.15
Vinod Karani	102.39	86.44	-	-	-	-	102.39	86.44
Smita Maroo	29.87	29.83	-	-	-	-	29.87	29.83
Mansi Maroo	4.69	4.63	-	-	-	-	4.69	4.63
Kranti Gada	18.12	17.74	-	-	-	-	18.12	17.74
Ankit Singh	11.60	19.12	-	-	-	-	11.60	19.12
Dipesh Gosar	7.80	-	-	-	-	-	7.80	-
Directors Sitting Fees	1.60	1.40	-	-	-	-	1.60	1.40
Jai Maroo	0.80	0.80	-	-	-	-	0.80	0.80
Buddhichand Maroo	0.80	0.60	-	-	-	-	0.80	0.60

Note 2.26

b. The Nature of significant related party transactions and the amounts involved are as follows: -

(₹ in lacs), except as otherwise stated

Particulars	Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
Remuneration to Directors	117.52	115.11	-	-	-	-	117.52	115.11
Raman Maroo	42.51	41.66	-	-	-	-	42.51	41.66
Atul Maru	42.51	41.66	-	-	-	-	42.51	41.66
Hiren Gada	32.51	31.79	-	-	-	-	32.51	31.79
Interest Paid (on Loans)	387.98	157.83	-	-	-	-	387.98	157.83
Raman Maroo	165.99	72.58	-	-	-	-	165.99	72.58
Atul Maru	198.92	69.19	-	-	-	-	198.92	69.19
Hiren Gada	1.12	0.12	-	-	-	-	1.12	0.12
Buddhichand Maroo	3.13	-	-	-	-	-	3.13	-
Jai Maroo	18.82	15.94	-	-	-	-	18.82	15.94
Advances / Loans Given during the year	20.00	15.00	-	-	-	-	20.00	15.00
Vinod Karani	20.00	15.00	-	-	-	-	20.00	15.00
Loans Taken during the year	2,985.79	1,353.85	-	-	-	-	2,985.79	1,353.85
Atul Maru	1,671.66	698.25	-	-	-	-	1,671.66	698.25
Buddhichand Maroo	50.00	-	-	-	-	-	50.00	-
Jai Maroo	24.78	14.30	-	-	-	-	24.78	14.30
Raman Maroo	1,219.35	641.30	-	-	-	-	1,219.35	641.30
Hiren Gada	20.00	-	-	-	-	-	20.00	-
Other Income	-	-	-	-	0.69	-	-	0.69
Shemaroo Corporation	-	-	-	-	0.69	-	-	0.69
Loans Repaid during the year	746.77	699.97	-	-	-	-	746.77	699.97
Atul Maru	462.66	355.60	-	-	-	-	462.66	355.60
Hiren Gada	6.00	8.52	-	-	-	-	6.00	8.52
Jai Maroo	5.30	8.00	-	-	-	-	5.30	8.00
Raman Maroo	272.81	327.85	-	-	-	-	272.81	327.85
Dues from Related Parties	4.65	15.00	-	-	-	-	4.65	15.00
Vinod Karani	4.65	15.00	-	-	-	-	4.65	15.00

Note 2.26

b. The Nature of significant related party transactions and the amounts involved are as follows: -

(₹ in lacs), except as otherwise stated

Particulars	Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
Dues to Related Parties	4,135.00	1,688.16	89.53	60.71	16.91	33.03	4,241.45	1,781.90
Atul Maru	2,094.94	777.59	-	-	-	-	2,094.94	777.59
Buddhichand Maroo	52.80	-	-	-	-	-	52.80	-
Hiren Gada	15.00	-	-	-	-	-	15.00	-
Jai Maroo	167.69	139.12	-	-	-	-	167.69	139.12
Raman Maroo	1,804.57	771.45	-	-	-	-	1,804.57	771.45
Sneha Arts	-	-	18.39	25.60	-	-	18.39	25.60
Think Walnut Digital Private Limited	-	-	71.15	35.11	-	-	71.15	35.11
Vistaas Digital Media Private Limited	-	-	-	-	16.91	33.03	16.91	33.03
Personal Guarantees Taken against Bank Loans	88,200.00	72,500.00	34,000.00	34,000.00	-	-	122,200.00	106,500.00
Atul Maru	18,600.00	14,500.00	-	-	-	-	18,600.00	14,500.00
Buddhichand Maroo	17,000.00	14,500.00	-	-	-	-	17,000.00	14,500.00
Jai Maroo	17,000.00	14,500.00	-	-	-	-	17,000.00	14,500.00
Raman Maroo	18,600.00	14,500.00	-	-	-	-	18,600.00	14,500.00
Hiren Gada	17,000.00	14,500.00	-	-	-	-	17,000.00	14,500.00
Buddhichand H. Maroo (HUF)	-	-	17,000.00	17,000.00	-	-	17,000.00	17,000.00
Shemaroo Corporation	-	-	17,000.00	17,000.00	-	-	17,000.00	17,000.00

2.27 Gratuity Benefits as per AS 15 (Revised)

(₹ in lacs), except as otherwise stated

Particulars	31-Mar-17	31-Mar-16
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method
Data Summary and Analysis		
Number of Employees	454	391
Total Monthly Salary	102.78	78.83
Average Salary	22,638.03	20,160.96
Average Age	34.17 years	33.88 years
Average Past Service	5.54 years	5.61 years
Valuation Results	335.87	279.01
Discontinuance Liability	362.27	274.66
Other Results		
Average Future Service	17 years	17 years
Current & Non-Current Liability		
Funding Status	Funded	Funded
Fund Balance	238.17	225.88
Current Liability	102.78	48.78
Non-Current Liability	21.32	-
Valuation Assumptions		
(i) Financial Assumptions		
Salary Escalation Rate :	8.00% p.a.	8.00% p.a.
Discount Rate :	7.34% p.a. (indicative G.Sec referenced on 31/03/2017)	8.08% p.a. (indicative G.Sec referenced on 31/03/2016)
(ii) Demographic Assumptions		
Mortality Rate :	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate :	3.00% p.a. for all service groups	3.00% p.a. for all service groups
Valuation Inputs		
Retirement Age	60 years	60 years
Vesting Period	5 years	5 years

Benefit Scheme (2016-17)

15 days salary for each year of service subject to a maximum of Rs. 10,00,000/-
The formula to calculate day's salary is $1/26 \times$ monthly salary

Contribution to Defined Contribution Plans, recognised as expense, is as under:

Particulars	31-Mar-17	31-Mar-16
Employer's Contribution to Provident Fund	79.29	64.36
	<u>79.29</u>	<u>64.36</u>

2.28 The Company has identified "Entertainment" as the only primary reportable business segment. The Company has no reportable geographical segment other than India.

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

There are no amounts payable / or claims from suppliers in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 and therefore, no disclosures have been made in the financial statements.

2.30 The net worth of its Wholly Owned Subsidiary (WOS), Shemaroo Entertainment Inc, USA (SEI) and Shemaroo Entertainment (UK) Private Limited (SEPLUK) has eroded more than 50%. However, financial statements of SEI and SEPLUK have been drawn up on going concern basis having regard to various business initiatives undertaken by the management to improve operational performance and viability of the business.

2.31 Contingent Liabilities

(₹ in lacs)

Particulars	31-Mar-17	31-Mar-16
Disputed Direct Tax Demands	148.41	97.59
Disputed Indirect Tax Demands	154.64	154.64
Legal Cases against the company	136.40	243.07
	439.46	495.31

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.

2.32 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**Part "A" : Subsidiaries**

(₹ in lacs)

S. 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	64.84	6.48	(14.91)	1.90	1.90	-	-	(4.21)	-	(4.21)	Nil
2	Shemaroo Entertainment (UK) Private Limited	GBP	80.88	29.12	(8.86)	42.43	42.43	-	445.65	252.67	-	252.67	Nil
3	Shemaroo Films Private Limited	INR	1.00	100.00	(7.02)	93.23	93.23	-	-	(0.90)	-	(0.90)	Nil
4	Contentino Media LLP	INR	1.00	1.00	(56.20)	359.56	359.56	-	387.18	(51.32)	-	(51.32)	Nil
5	Shemaroo Think Tank Entertainment LLP	INR	1.00	1.00	(596.91)	254.30	254.30	-	289.47	(395.34)	-	(395.34)	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**

S. 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	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No of Shares	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Vistaas Digital Media Private Limited	31 st March, 2017	45,000	1061.39	50%	Strategic investment	Shemaroo Entertainment Limited is holding only as an strategic investment and does not exercise management control	95.98	(84.76)	NIL

2.33 Previous year figures

Previous year figures are rearranged or regrouped wherever necessary to confirm to current year's presentation

As per our report of even date.

For and on behalf of the Board

For M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Dipesh Gosar
Company Secretary
Membership No.:A23755

Hiren Gada
Whole Time Director & CFO
DIN 01108194

Place: Mumbai
Date: May 9, 2017

Place: Mumbai
Date: May 9, 2017



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 12th (Twelfth) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Wednesday, September 27, 2017, at 04:00 p.m.** at **M. C. Ghia Hall, 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, 2017 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Jai Maroo (DIN: 00169399), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. M.K.Dandeker & Co., Chartered Accountants, (Firm Registration No. 000679S) as Statutory Auditors of the Company for the year 2017-18 and to authorize the Board of Directors of the Company to fix their remuneration.

NOTES:

1. The profile of the Director seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) is 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 Thursday, September 21, 2017 to Wednesday, September 27, 2017 (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 Wednesday, September 27, 2017 (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 (LIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIPL.
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 LIPL.
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) / LIPL.
14. Members may also note that the Notice of this AGM and the Annual Report 2016-17 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, 2017, 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 12th 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 in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations to those member, 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 26, 2017 (5.00 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 20, 2017 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 26, 2017 (5.00 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 12th 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 instructions for e-voting are as under:

- A. In case a member receives an e-mail from NSDL [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:
 - I. Open the attached PDF file, namely, "e-Voting.pdf." giving your Client ID or Folio No. as passwords. The said file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
 - II. Launch internet browser and open <https://www.evoting.nsdl.com>.
 - III. Click on Shareholder – Login
 - IV. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
 - V. If you are logging in for the first time, please enter the User ID and Password provided in the PDF file attached with the e-mail as initial password. The Password Change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - VI. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
 - VII. Select "EVEN" (E-voting Event Number) of Shemaroo Entertainment Limited. Now you are ready for e-voting as Cast votes page opens.
 - VIII. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
 - IX. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - X. Once the vote on a resolution is cast, the Members shall not be allowed to change it subsequently.
 - XI. Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the Board Resolution together with their attested specimen signatures authorizing their representative to vote on their behalf at the AGM to the Company through an e-mail to scrutinizer@mgconsulting.in with a copy marked to evoting@nsdl.co.in and investors_services@shemaroo.com
 - XII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- B. In case a member receives physical copy of the Notice convening the AGM [for members whose e-mail addresses are not registered with the Company/Depository Participant(s)]:
 - i) User ID and password – Printed Overleaf
 - ii) Please follow all steps from I to XII as mentioned in (A) above to cast your vote.
- C. Other Instructions:
 - i) The e-voting period commences on Sunday, September 24, 2017 (9:00 a.m. IST) and ends on Tuesday, September 26, 2017 (5:00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on September 20, 2017 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
 - ii) Any person, who acquires shares of the Company and becomes a member of the Company after the dispatch of the Notice and holding shares as of cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if

you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Passwords" option available on www.evoting.nsdl.com.

- iii) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
- iv) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.shemarooent.com and on the website of NSDL www.evoting.nsdl.com immediately after the results is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE), where the shares of the Company are listed.

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 09, 2017

By Order of the Board of Directors

Dipesh U. Gosar

Company Secretary & Compliance Officer
(ACS No.: 23755)

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI LISTING REGULATIONS
Item No. 3

Name of the Director	Mr. Jai Maroo
Date of Birth	September 09, 1973
Nationality	Indian
Director Identification Number	00169399
Date of appointment	May 29, 2012
Brief Profile & Experience	Mr. Jai Maroo is the Non-executive Director of our Company. He has been associated with the Group since 2002 and the Company since 2008. He holds a Masters 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. Mr. Jai Maroo has numerous years of experience in the technology industry in USA and Singapore and approximately 14 years of experience in the Media and Entertainment industry. Over the last few years, he has been active on the technology side. Given his strong technical background, he has catalyzed Shemaroo's expansion on digital distribution platforms, such as Mobile, Internet, OTT and so on, as well as guiding several technology-driven and other strategic initiatives within the entertainment space. He has been a speaker on several national and international forums on technology and media-related topics
No. of shares held in the Company	12,34,200
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	-
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Shemaroo Entertainment Limited	Member of Nomination & Remuneration Committee - Shemaroo Entertainment Limited
Inter-se relationships with other Directors / KMP's	Mr. Buddhichand Maroo Ms. Smita Maroo



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

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

12TH 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 TWELFTH (12th) ANNUAL GENERAL MEETING of the Company, at **M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001 at 04:00 p.m. on Wednesday, September 27, 2017.**

Name of the shareholder / proxy*	Signature of the shareholder / proxy*

*Strikeout whichever is not applicable

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SHEMAROO ENTERTAINMENT LIMITED

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

**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 12th (Twelfth) Annual General Meeting of the Company to be held on **Wednesday, September 27, 2017, at 04:00 p.m. at M. C. Ghia Hall, 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, 2017 and the Directors and the Auditors' Report thereon.		
2. Declaration of final dividend		
3. Re-appointment of Mr. Jai Maroo (DIN: 00169399), who retires by rotation.		
4. Ratification of the appointment of Statutory Auditors.		

Signed this _____ day of _____, 2017

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.

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Shemaroo Entertainment Limited

Address: Shemaroo House, Plot no. 18, Marol co-operative Industrial Estate, Off Andheri Kurla Road, Andheri (E),
Mumbai 400059. Tel.: +91 22 4031 9911