



Ref No.: SEL / Reg. 34- LODR/Aug-2020 / 01

August 31, 2020

**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 2019-20 together with the notice for the 15th Annual General Meeting of the Company scheduled to be held on Tuesday, September 29, 2020 at 04:00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The copy of the Annual Report is also available under the Investor's section on the Company's website at www.shemarooent.com

This is for your information and records.

Thanking you,

Yours faithfully,
For Shemaroo Entertainment Limited

SD/-

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

Encl: A/a

SHEMAROO ENTERTAINMENT LIMITED

Shemaroo House, Plot No. 18, Marol Co - Op. Industrial Estate, Off Andheri Kurla Road, Andheri (E), Mumbai - 400 059.

Tel.: +91 - 22 4031 9911 | Fax: +91 - 22 2851 9770 | Email: shemaroo@shemaroo.com

shemarooent.com | CIN: L67190MH2005PLC158288



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 15th (Fifteenth) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Tuesday, September 29, 2020, at 4.00 P.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")**, 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, 2020 together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Atul Maru (DIN: 00169264), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Raman Maroo as Managing Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, approval of the Company be and is hereby accorded to the re-appointment of Mr. Raman Maroo (DIN 00169152), who will attain age of 70 years, as Managing Director of the Company, for a period of 5 (five) years with effect from January 01, 2021, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof and/or Nomination and Remuneration Committee) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Raman Maroo, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

4. **Re-appointment of Mr. Atul Maru as Joint Managing Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, approval of the Company be and is hereby accorded to the re-appointment of Mr. Atul Maru (DIN 00169264) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from January 01, 2021, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof and/or Nomination and Remuneration Committee) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Atul Maru, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

5. **Re-appointment of Mr. Hiren Gada as Whole Time Director, CEO & CFO of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, approval of the Company be and is hereby accorded to the re-appointment of Mr. Hiren Gada (DIN 01108194) as Whole Time Director and designated as CEO & CFO, for a period of 5 (five) years with effect from January 01, 2021, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this

Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof and/or Nomination and Remuneration Committee) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Hiren Gada, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

6. To provide an option to the lenders to convert their outstanding facilities/debts, if any, into Equity Shares:

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013, and in accordance with the memorandum and articles of association of the Company and applicable regulations and subject to approvals, consents, sanctions or permissions, if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such conditions and modifications as may be prescribed by the respective statutory, government and other authorities and departments while granting such approvals, consents, sanctions, permissions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on terms and conditions contained in the Financing Documents, to provide, inter alia, to convert the whole or part of the outstanding loans of the Company (whether disbursed on or prior to or after the date of this resolution and whether then due or payable or not), (as already stipulated or as may be specified by the Financial Institutions/Banks under the financing documents executed or to be executed in respect of the financial assistances which have already been availed or which may be availed) by the Company under the lending arrangements (existing and future arrangements) with various Banks and Financial Institutions (hereinafter collectively referred to as the "Lenders"), at the option of the Lenders, the loans or any other financial assistance categorized as loans (hereinafter referred to as the "Financial Assistances"), in Foreign Currency or Indian Rupees, which have already been availed from the Lenders or as may be availed from the Lenders, from time to time, not exceeding Rs. 500 Crores (Rupees Five Hundred Crores), consistent with the existing borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013, each such Financial Assistances being separate and distinct from the other, into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Lenders (or their agents or trustees) to the Company (hereinafter referred to as the "Notice of Conversion") and in accordance with the following conditions:

- (i) The conversion right reserved as aforesaid may be exercised by the Lenders, upon the occurrence of an Event of Default under the Financing Documents during the currency of the Financial Assistances;

- (ii) The price of the shares would be determined in accordance with Applicable Law/Regulations at the time of such conversion;
- (iii) On receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of equity shares to the Lenders or such other persons identified by the Lenders equivalent to the part of the Financial Assistances so converted.
- (iv) The part of the Financial Assistances so converted shall cease to carry interest as from the date of conversion and the Financial Assistances shall stand correspondingly reduced. Upon such conversion, the repayment installments payable after the date of conversion as per the Financing Documents shall stand reduced proportionately by the amounts of the Financial Assistances so converted, to the extent permissible in terms of Applicable Law. The equity shares so allotted and issued to the Lenders or such other person identified by the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said equity shares shall rank pari passu with the existing equity shares of the Company in all respects. The Company may increase its authorized share capital from time to time as may be required by the Lenders in this respect; and
- (v) In the event that the Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the Lenders or such other person identified by the Lenders and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lenders or such other person identified by the Lenders, to ensure that the equity shares are listed as required by the Lenders or such other person identified by the Lenders."

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions for raising the Financial Assistances, from time to time, with an option to convert the Financial Assistances into equity shares of the Company anytime during the currency of the Financial Assistances, on the terms specified in the financing documents, including upon happening of an event of default by the Company in terms of the loan arrangements.

RESOLVED FURTHER THAT on receipt of the Notice of Conversion, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and shall allot and issue requisite number of fully paid-up equity shares in the Company to such Lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as

may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be

deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

Registered Office:

Shemaroo House, Plot No. 18,
Marol Co-op. Industrial Estate,
Marol Naka, Off. Andheri Kurla Road,
Andheri (E), Mumbai - 400 059

By Order of the Board of Directors

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

Mumbai, July 29, 2020

NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to the special business to be transacted at the AGM and the profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing and Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations") are annexed.
2. In view of the continuing restrictions on the movement of people at several places in the Country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 05 May 2020 read with General Circular No. 14/2020 dated 08 April 2020 and General Circular No. 17/2020 dated 13 April 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 15th AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 17 below and is also available on the website of the Company at www.shemarooent.com.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Corporate / Institutional Members intending 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 authorizing its representatives to attend and vote on their behalf at the meeting, at investors_services@shemaroo.com with a copy marked to evoting@nsdl.co.in.
5. 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.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
8. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of annual general meeting.
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 electronically for inspection by the members during the AGM at www.shemarooent.com/investors/.
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, residential status 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. 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.
13. In accordance with, the General Circular No. 20/2020 dated 05 May 2020 issued by MCA and Circular No.

SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of AGM, Annual Report, are being sent in electronic mode to all members whose e-mail address are registered with the Company / Depository Participant(s).

14. Members who have not registered their e-mail addresses are requested to register the same with Depository Participant(s) / LIPL or update their email addresses by writing to the Company at compliance.officer@shemaroo.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg: Driving License, Election Identity Card, Passport, Aadhar) in support of the address of the Member.
15. Members may also note that the Notice of this AGM and the Annual Report 2019-20 of the Company is posted on the Company's website www.shemarooent.com, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at www.evoting.nsdl.com
16. 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

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

17. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
18. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis.
19. Members who need assistance before or during the AGM with use of technology, can:
 - Send a request at evoting@nsdl.co.in or use Toll free no: 1800-222-990 or send a request to at evoting@nsdl.co.in.
 - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number 022-24994360; or
 - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone number 022-24994545.
20. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use

stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

21. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at compliance.officer@shemaroo.com. **Questions / queries received by the Company till 5.00 p.m. on Tuesday, September 22, 2020 shall only be considered and responded during the AGM.**
22. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting the link <https://www.evoting.nsdl.com> and email at compliance.officer@shemaroo.com anytime **between Wednesday, September 23, 2020, 09.00 a.m. to 5.00 p.m. on Friday, September 25, 2020**. Speakers can also send their questions in advance to the Company at compliance.officer@shemaroo.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
23. Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

24. In compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote at 15th annual general meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depositories Limited (NSDL).
25. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 22, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only. 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.
26. Members may cast their votes on electronic voting system from any place (remote e-voting). **The voting period begins on Saturday, September 26, 2020 at 09.00 a.m. and ends on Monday, September 28, 2020 at 05.00 p.m. (preceding the date of AGM)**. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote

through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. The e-voting module shall be disabled by NSDL for voting thereafter.

27. 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, in a fair and transparent method.
28. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would unblock and count the votes cast through remote e-voting and during the AGM 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.
29. 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.

30. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 to log-in to NSDL e-voting system is given below:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned in Note No.14 above
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 to cast your vote electronically on NSDL e-Voting system is given below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an

event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

The instructions for Members for e-voting on the day of the AGM are as under:

- a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3:

Mr. Raman Maroo (DIN: 00169152) was re-appointed as Managing Director of the Company by the members at the AGM of the Company held on September 21, 2015 for a period of five consecutive years commencing from January 01, 2016 and current term as Managing Director is due to expire on December 31, 2020.

Further in accordance with the provisions of Section 203 and Schedule V of the Companies Act, 2013 (the 'Act'), a person who has attained the age of 70 years can be appointed as managing director only by passing a special resolution, with adequate justification for his appointment;

Mr. Raman Maroo has been instrumental in the Group's expansion and transformation of Shemaroo into an established filmed entertainment content house. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. Mr. Raman Maroo will attain the age of 70 years in December 2020.

It is considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Raman Maroo as Managing Director due to his extensive experience regardless of his age. Further, in accordance with proviso 3(a) of Section 196 of the Companies Act 2013, the Company is required to seek consent of the members by way of special resolution for continuation of his holding the office of Managing Director even after attaining the age of 70 years during the currency of his proposed tenure.

Based on the outcome of performance evaluation, recommendation of Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Raman Maroo as Managing Director for a further period of five years, with effect from January 01, 2021 on the terms and conditions as specified below, subject to the approval of the Members through special resolution.

Broad particulars of the Terms and Conditions of Appointment & Remuneration payable to Mr. Raman Maroo are as under:

A. Tenure of Appointment:

The appointment of the Managing Director is for period of five years with effect from January 01, 2021.

B. Salary:

Rs. 4,50,000/- per month in the scale of Rs. 3,00,000/- to Rs.10,00,000/-.

The annual increments will be effective from 1st April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.

C. Perquisites:

- i) Rent-free residential accommodation (furnished / non-furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses / allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including

dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not, exceed for each financial year, his annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- ii) The Company's contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.

D. Commission:

In addition to the salary, perquisites and allowances as set out above, Mr. Raman Maroo shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.

E. Minimum Remuneration:

If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, the Company may pay remuneration by way of salary, perquisites, allowances and commission subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.

F. Reimbursements of Expenses:

Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company's business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

The draft agreement stating terms and conditions for re-appointment as Managing Director will be available electronically for inspection by the members up to the date of the Annual General Meeting, on request send to at compliance.officer@shemaroo.com.

The required disclosures as per the Secretarial Standards (SS-2) and Regulation 36(3) of the Listing Regulations, is provided at **Annexure A** of this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 3 of the Notice for your approval.

Except Mr. Raman Maroo and his relatives, none of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution as set out at Item No. 3 of the Notice.

Item No. 4:

Mr. Atul Maru (DIN: 00169264) was re-appointed as Joint Managing Director of the Company by the members at the AGM of the Company held on September 21, 2015 for a period of five consecutive years commencing from January 01, 2016 and current term as Joint Managing Director would end on December 31, 2020.

Mr. Atul Maru has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company. It is considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Atul Maru as Joint Managing Director.

Based on the outcome of performance evaluation, recommendation of Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Atul Maru as Joint Managing Director for a further period of five years, with effect from January 01, 2021 on the terms and conditions as specified below, subject to the approval of the Members.

Broad particulars of the Terms and Conditions of Appointment & Remuneration payable to Mr. Atul Maru are as under:

A. Tenure of Appointment:

The appointment of the Joint Managing Director is for period of five years with effect from January 01, 2021.

B. Salary:

Rs. 4,50,000/- per month in the scale of Rs. 3,00,000/- to Rs.10,00,000/-.

The annual increments will be effective from 1st April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.

C. Perquisites:

- i) Rent-free residential accommodation (furnished / non-furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses / allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not exceed for each financial year, his annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- ii) The Company's contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.

D. Commission:

In addition to the salary, perquisites and allowances as set out above, Mr. Atul Maru shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.

E. Minimum Remuneration:

If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, the Company may pay remuneration by way of salary, perquisites, allowances and commission subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.

F. Reimbursements of Expenses:

Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company's business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

The draft agreement stating terms and conditions for re-appointment as Joint Managing Director will be available electronically for inspection by the members up to the date of the Annual General Meeting, on request send to at compliance.officer@shemaroo.com.

The required disclosures as per the Secretarial Standards (SS-2) and Regulation 36(3) of the Listing Regulations, is provided at **Annexure A** of this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for your approval.

Except Mr. Atul Maru and his relatives, none of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution as set out at Item No. 4 of the Notice.

Item No. 5:

Mr. Hiren Gada (DIN: 01108194) was re-appointed as Whole Time Director of the Company by the members at the AGM of the Company held on September 21, 2015 for a period of five consecutive years commencing from January 01, 2016 and designated as Chief Executive Officer (CEO) & Chief Financial Officer (CFO) of the Company with effect from March 20, 2018 and current term as Whole Time Director would end on December 31, 2020.

Mr. Hiren Gada has been at the helm of driving the corporate & financial growth, digital direction, strategy, and the transformation of the company from a family run business to a professional corporate firm. Mr. Gada manage the day-to-day functioning of the Company at all levels and has developed a core team to head all the strategic business verticals and has hands on approach to manage the business. Further, in view of the significant progress made by the Company under the able leadership of Mr. Hiren Gada and in order to provide him with opportunities for further strengthening the position of the Company, Based on the outcome of performance evaluation, recommendation of Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Hiren Gada as Whole Time director; CEO & CFO for a further period of five years, with effect from January 01, 2021 on the terms and conditions as specified below, subject to the approval of the Members.

Broad particulars of the Terms and Conditions of Appointment & Remuneration payable to Mr. Hiren Gada are as under:

A. Tenure of Appointment:

The appointment of Whole Time Director; CEO & CFO is for period of five years with effect from January 01, 2021.

B. Salary:

Rs. 4,50,000/- per month in the scale of Rs. 3,00,000/- to Rs. 10,00,000/-.

The annual increments will be effective from 1st April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.

C. Perquisites:

- i) Rent-free residential accommodation (furnished / non-furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses / allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not exceed for each financial year, his annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- ii) The Company's contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.

D. Commission:

In addition to the salary, perquisites and allowances as set out above, Mr. Hiren Gada shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.

E. Minimum Remuneration:

If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, the Company may pay remuneration by way of salary, perquisites, allowances and commission subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.

F. Reimbursements of Expenses:

Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company's business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

The draft agreement stating terms and conditions for re-appointment as Whole Time director; CEO & CFO will be available electronically for inspection by the members up to the date of the Annual General Meeting, on request send to at compliance.officer@shemaroo.com.

The required disclosures as per the Secretarial Standards (SS-2) and Regulation 36(3) of the Listing Regulations, is provided at **Annexure A** of this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for your approval.

Except Mr. Hiren Gada and his relatives, none of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution as set out at Item No. 5 of the Notice.

Item No. 6:

In line with the regulatory changes in the recent past and with various directives issued by Reserve Bank of India, from time to time, the Company has been advised to pass a Special Resolution under Section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made there-under to give an option to the Banks and Financial Institutions or their agents or trustees (hereinafter referred to as the "Lenders") to convert their outstanding loans or any other financial assistance categorized as loans (hereinafter referred to as the "Financial Assurances"), in foreign currency or Indian Rupee, already availed from the Lenders or as may be availed from the Lenders (whether then due or payable or not), from time to time, into equity shares of the Company.

Section 62(1)(c) of the Companies Act, 2013, inter-alia, provides that where at any time, a Company having a share capital proposes to increase its subscribed capital by issue of further shares, such shares shall be offered to any person, if it is authorized by a special resolution either for cash or for a consideration other than cash, and the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

Further, Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the loan raised by the company to convert such loans into shares in the Company; provided that the terms of raise of such loan containing such an option have been approved before the raising of loan by a special resolution passed by the company in General Meeting.

Further, in terms of the provisions of Section 180(1)(a) and 180(1)(c), the shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money/monies upto an amount of Rs. 500 Crores and to create charges on the Company's properties for securing the borrowings within the above limits and working capital facilities availed or to be availed by the Company, by passing a Special Resolution at Extra Ordinary General Meeting of the members held on May 26, 2014.

For the purposes of such Borrowings, the Company may, from time to time, be required to execute financing documents, which provides for an enabling option to the Lenders, to convert the whole or any part of such outstanding Financial Assistance, into fully paid up Equity Shares of the Company;

Accordingly, the Board recommends an enabling resolution as set out in Item No. 6, to enable the Lenders, in terms of the lending arrangements, entered/to be entered, and as may be specified by the Financial Institutions/Banks under the financing documents already executed or to be executed in respect of the Financial Assistances availed/to be availed, at their option, to convert the whole or part of their respective outstanding Financial Assistances

Registered Office:

Shemaroo House, Plot No. 18,
Marol Co-op. Industrial Estate,
Marol Naka, Off. Andheri Kurla Road,
Andheri (E), Mumbai – 400 059

Mumbai, July 29, 2020

into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

The Company hereby clarifies that this resolution is merely an enabling resolution and there are no proposals of conversion of loan into Equity, either pending or envisaged currently.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be interested/concerned in this resolution, except to their respective shareholdings in the Company, if any.

By Order of the Board of Directors

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

Disclosures under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards SS-2 of ICSI:

Annexure A

Name of Director	Mr. Raman H Maroo	Mr. Atul Maru	Mr. Hiren Gada
DIN	00169152	00169264	01108194
Date of Birth	December 06, 1950	February 23, 1961	August 01, 1970
Nationality	Indian	Indian	Indian
Date of appointment on Board	December 23, 2005	December 23, 2005	May 26, 2008
Qualifications	Higher Secondary Class studied from Mumbai	Higher Secondary Class studied from Mumbai	Master's degree in Management (Finance) from Welingkar Institute of Management, Mumbai University; Graduate Degree in Commerce from the University of Mumbai
Nature of expertise & experience	<p>Mr. Raman Maroo has been associated with the Group since 1974. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led the Company's growth for many years. He has always remained the driving force in the Company, taking it into new directions. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others.</p> <p>Mr. Raman Maroo has approximately 46 years of business experience, out of which, he has been associated with the Media and Entertainment industry for approximately 37 years.</p>	<p>Mr. Atul Maru 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 for the Company.</p> <p>Mr. Atul Maru has around 40 years of experience in the Media and Entertainment industry.</p>	<p>Mr. Hiren Gada has been at the helm of driving the corporate & financial growth, digital direction, strategy, and the transformation of the Company from a family run business to a professional corporate firm.</p> <p>He is an industry thought leader and brings a fresh perspective to the M&E space in India.</p> <p>Mr. Hiren Gada has approximately 24 years of work experience, out of which, he has around 17 years of experience in the Media and Entertainment Industry.</p>

contd...

Annexure A

Name of Director	Mr. Raman H Maroo	Mr. Atul Maru	Mr. Hiren Gada
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	1. Brother of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Brother of Mr. Atul Maru (Jt. Managing Director) 3. Father of Ms. Mansi Maroo (KMP of the Company)	1. Brother of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Brother of Mr. Raman Maroo (Managing Director)	Brother of Ms. Kranti Gada Arambhan (COO & KMP of the Company)
Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 3 of the Notice read with explanatory statement thereto.	As per the resolution at Item No. 4 of the Notice read with explanatory statement thereto.	As per the resolution at Item No. 5 of the Notice read with explanatory statement thereto.
Remuneration last drawn (commission and sitting fees)	Rs. 52.90 Lakhs per annum	Rs. 52.90 Lakhs per annum.	Rs. 52.90 Lakhs per annum.
Remuneration proposed to be paid	As per the terms and conditions and in accordance with the provisions of Companies Act, 2013	As per the terms and conditions and in accordance with the provisions of Companies Act, 2013	As per the terms and conditions and in accordance with the provisions of Companies Act, 2013
No. of meetings of the Board attended for the period from April 2018 till date	6 Meetings	6 Meetings	5 Meetings
List of Directorships held in other Companies excluding foreign, private and Section 8 Companies)	Malabar Hill Club Limited	-	The Film & Television Producers Guild of India Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Shemaroo Entertainment Limited	-	Shemaroo Entertainment Limited Stakeholders Relationship Committee - Member	Shemaroo Entertainment Limited Audit Committee - Member
No. of shares held in the Company	48,09,520 Equity Shares	48,09,520 Equity Shares	10,93,680 Equity Shares



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Forward-looking statement

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





Corporate Information

BOARD OF DIRECTORS

Mr. Buddhichand Maroo

DIN: 00169319

Chairman

Mr. Jai Maroo

DIN: 00169399

Executive Director

Mr. Shashidhar Sinha

DIN: 00953796

Independent Director

Mr. Raman Maroo

DIN: 00169152

Managing Director

Mr. Gnanesh Gala

DIN: 00093008

Independent Director

Dr. CA Reeta Bharat Shah

DIN: 07141304

Independent Director

Mr. Atul Maru

DIN: 00169264

Jt. Managing Director

Mr. Kirit Gala

DIN: 01540274

Independent Director

Mr. Hiren Gada

DIN: 01108194

CEO & CFO

Mr. Vasanji Mamania

DIN: 00013071

Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Dipesh U. Gosar

STATUTORY AUDITORS

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

INTERNAL AUDITORS

M/s. Gawande & Associates,

Chartered Accountants

SECRETARIAL AUDITORS

M/s. Manish Ghia & Associates

BANKERS

State Bank of India

Bank of India

N.K.G.S.B. Co-op. Bank Limited

Deutsche Bank A.G.

Federal Bank Limited

HDFC 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. Andheri Kurla 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

Yesterday Vs. Today

Shemaroo Yesterday



Household media brand with over 57 years of experience in the media industry



Enviably industry wide relationships across the media value chain



Pioneer in content aggregation and distribution in India across traditional and digital platforms



Largest content house with 4,000+ Hindi and regional content library



Various partnerships built across major digital OTT platforms like Netflix, Amazon, etc.

Shemaroo Today



Maximizing monetization of content library across platforms in multiple countries



Launching of Free-To-Air channels on television



Enhancing reach directly to consumers



Riding the digital wave through ShemarooMe OTT platform offering 10,000+ hours of content



Launching of a variety of preloaded devices with devotional content



Since its inception, Shemaroo has been an integral part of India's entertainment ecosystem and media value chain. At its core, the Company truly believes in staying true to its tagline 'India Khush Hua' with its multi-faceted entertainment content, which ranges from movies in various languages to content across genres. Having pioneered the content aggregation and distribution business in India over the last five decades, today Shemaroo owns rights to one of the largest libraries of Indian films. Its content is present on most traditional and digital platforms and reaches audiences across the world.

Over the years, the Company has not only gained detailed insights and understanding of the industry, but has also witnessed India's diverse and evolving consumption patterns, which has led it to gain experience and expertise in maximising monetisation of content across media platforms such as Television, DTH, Cable, YouTube, online video streaming platforms and airlines, amongst others.

After establishing deep roots in the industry and in order to thrive in the dynamic and ever growing INR 1.8 trillion Indian media and entertainment industry, the Company took a strategic decision over the last couple of years to enhance their offerings and reach out directly to the consumers. The Company married its expertise in content with the identified latent consumer demand and launched multiple products and services including its OTT platform 'ShemarooMe', various unique preloaded devotional speakers and two broadcasting channels namely 'Shemaroo MarathiBana' and 'Shemaroo TV'.

In its endeavour to entertain its audience, the Company has been constantly evolving and believes in **'investing today, for a better tomorrow'**.

Moving Towards A Better Tomorrow



The Content Powerhouse



Over 1,750
Regional Titles

Regional Titles



Sr. No.	Types of Content
1.	Hindi films
2.	Regional Titles
3.	Special Interest content*
TOTAL	

Ownership of over
2,000
Hindi Films



Over **370**
Special Interest Titles

Special Interest Content



Total Number of Perpetual Titles	Total Number of Limited Ownership Titles	Total Number of Titles
517	1,499	2,016
711	1,070	1,781
106	264	370
1,334	2,833	4,167

* Devotional Content, Kids Content, Motivational/ Spiritual Content, Classic Television Serials, Health Related Content etc.

Television and Shemaroo

The television segment continues to remain the largest and most sustainable source of media consumption in India. Television is 'The Screen' of Indian households, engaging all individuals in the home for family viewing time. In 2000, the TV industry had approximately 100 channels on air, which has now grown to more than 900 channels. With the increase in the number of channels, the demand for good quality content has also flourished.

Shemaroo realised the unique opportunity early on of consolidating India's highly fragmented movie production industry. With the advent of the cable revolution and the launch of multiple broadcasting channels, there was a significant demand-supply gap for good quality film titles in India. Shemaroo started acquiring content rights for syndication to broadcasters and cable operators and became the owner of an enviable library of film, music and other content across languages such as Hindi, Marathi, Gujarati, Punjabi, and Bengali, amongst others. Shemaroo continues to benefit from the long-tail nature of its assets and its evergreen content catalogue remains the preferred content across entertainment networks in India.

The Company has also expanded its reach across the world by serving its content on major international broadcast platforms catering to the Indian diaspora. The Company boasts strong relationships across the international media ecosystem in regions such as USA, Europe, South East Asia and UAE, amongst others.

Shemaroo has also collaborated with various DTH service providers like Tata Sky, Airtel TV, Dish TV and D2H to launch and operate subscription-based, ad-free content services across genres like movies, devotion, thriller, comedy and regional.

Over the years, the business has increasingly focused on creating value for all stakeholders across the entertainment value chain by widening its content catalogue and improving engagement through relevant content. Having syndicated Indian content to almost all major content service providers across the world, it can be said that television and Shemaroo are truly inseparable!



Television Broadcasting

The Indian television broadcasting industry is in a transformational stage, witnessing cord cutting by the more mature audiences at one end, to millions purchasing their first 'luxury' white good – a television set – at the other end. Interestingly, with only a 65% television penetration in India, there are an estimated 100 Million households who still do not own a television set. The last mile of television adopters and close to 35 Million households on DD Free Dish offer unique and exciting opportunities for the TV broadcasting industry. With rising disposable incomes across the rural and urban population, the potential for non-linear growth in this segment is, needless to say, enormous!

TV screen time has also witnessed a spike year on year, which has translated into increasing interest by the advertisers. TV continues to be the dominant medium for advertisers. Advertising contributes to more than 70% of total broadcasting revenue. For the last five decades, Shemaroo, with its large content bank, has been providing content to leading broadcasters, who on the back of such content have garnered substantial advertising revenue. Over the course of time, the Company realised that it was not directly participating in the large and lucrative INR 32,000 crore television advertising pie.

In 2019, the media industry witnessed a structural policy change initiated by Telecom Regulatory Authority of India called as the New Tariff Order (NTO). NTO was a game changer in the industry, putting the consumer in the driver's seat by letting them decide the channels they want to watch and consequently only pay for those.

NTO also introduced a provision banning broadcasters from creating a single package for their Pay channels and the Free To Air (FTA) channels, resulting in broadcasters converting their FTA channels to pay channels, leaving a massive gap in the FTA space.

Since Shemaroo has been the custodian of high-quality content for decades, which dominates the programming schedules of various leading channels in the country, launching its own TV channels to embrace the tactical opportunity thrown open by the implementation of the NTO, seemed to be a natural progression for the Company. This strategy would not only strengthen Shemaroo's presence across the entire entertainment value chain, but would also help tap into the large television advertising pie. Furthermore, the Company also believed that broadcasting channels would be an effective captive medium for advertising various new direct-to-consumer products and services that the Company has launched or planning to launch under its brand.

Consequently, Shemaroo made its strategic entry into the broadcasting space with the launch of two FTA Satellite channels – "Shemaroo TV", the flagship Hindi GEC and the Marathi movie channel "Shemaroo MarathiBana". The channels aim to cater to the under-served FTA audience as the Company believes that there is enough potential for new players to offer a differentiated proposition to TV viewers in this space. With the launch of the broadcasting business, Shemaroo aims to become the most popular go-to destination for FTA audiences.



Enhancing Our Digital Presence

The Indian Media and Entertainment Industry is at the cusp of a content consumption boom, driven by the change in the digital media landscape and increasingly connected rural consumers. While TV claims to have the largest market share in the media and entertainment industry, digital offerings have evolved as the major growth driver for the sector. In the last 3-4 years, India witnessed a rapid growth in smart phone users and this, coupled with cheaper mobile data rates has not only attracted major international video streaming platforms such as Netflix and Amazon Prime to India, but has also awakened domestic media houses to the huge opportunity to digitally connect with their consumers. This bodes well for large content owners like Shemaroo, who syndicate content across all major digital video platforms such as Netflix, Amazon, Hotstar, Reliance Jio, etc. Furthermore, during the year, Shemaroo also partnered with Netflix to produce original animated kids content, 'Bal Ganesh', 'Akbar Birbal' and 'TreeHouse Tales'

Going back a few years, Shemaroo's journey in the digital world truly began with YouTube, and the partnership continues to thrive today. With over 40 channels, and a subscriber base of more than 150 Million across its

channels, Shemaroo's content garners around 3 Billion views on an average in a month and 100 Million views per day. The Company's most popular channel, 'Filmi Gaane' which crossed 35 Million subscribers, is the 7th most subscribed channel in India and 31st most subscribed channel in the world.

Bundling of content with telcos is one of the most prevalent ways to drive consumption. It is believed that more than 70% of viewership volumes for most OTT platforms is generated through telcos bundling. Started in 2008, Shemaroo was amongst the early adopters for aggregating and distributing content to all major telco operators in the country and it continues to partner with all major telco operators in India for its content.

Riding on the popularity of its large and diverse catalogue, the Company's digital business witnessed a double digit growth and is expected to grow further as the war for quality content intensifies.

ShemarooMe



In 2019, Shemaroo launched its OTT video streaming platform 'ShemarooMe'. With over 10,000+ hours of quality content spread across the entertainment spectrum, in languages such as Hindi, Gujarati, Marathi, Punjabi, Bengali and having one of the largest Indian movie libraries, engaging web-series and short movies, music and kids content - ShemarooMe offers the audience a vast choice of content, anytime and anywhere. In the year FY2020, the Company focused on building and growing its B2B2C

strategy for ShemarooMe and stitching partnerships with key players in the digital ecosystem. It partnered with platforms such as Android TV, Apple TV, Fire TV Stick, Roku, Mi TV, Tata Sky Binge, Airtel Xstream, etc., collaborated with telco players such as Vodafone Play, Airtel, and worked with platforms such as ixigo, Flipkart, MX Player, amongst many others. The year also witnessed the platform's launch in more than 150 countries worldwide. In its first year of launch, ShemarooMe gained impressive traction and achieved tremendous response from its consumers. ShemarooMe will continue to strengthen its foundation by offering diverse, high quality content and expanding its reach through partnerships across continents, with one aim to building an engaging and loyal audience on its platform.

10,000+ Hours of Content





Board of Directors

Buddhichand Maroo - *Chairman*

He is the founder of Shemaroo Group. He started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. He has an experience of approximately 58 years, out of which, 37 years have been in the Media and Entertainment Industry. He holds Lifetime Achievement GIFA Golden Award.

Raman Maroo - *Managing Director*

He has an experience of approximately 46 years, out of which he has spent around 37 years in the 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.

Atul Maru - *Joint Managing Director*

He has around 40 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 for the Company.

Hiren Gada - *CEO & CFO*

He has been at the helm of driving the corporate & financial growth, digital direction, strategy, and the transformation of the Company from a family run business to a professional corporate firm. He has approximately 24 years of work experience, out of which, he has around 17 years of experience in the Media and Entertainment Industry. He is an industry thought leader and brings a fresh perspective to the M&E space in India.

Jai Maroo - *Executive Director*

He has experience in the technology industry in USA and Singapore and approximately 17 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 etc. Currently, he is steering the Organization Transformation & Excellence portfolio for the Company.

Gnanesh Gala - *Independent Director*

He has around 37 years of experience in the Educational Publishing Industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 23 years and is presently the Managing Director of the said company.

Dr. (CA) Reeta Bharat Shah - *Independent Director*

She has over 32 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.). She is engaged as Growth strategist, Tedx and International Keynote Speaker. She has worked as Head of Department (Accountancy) at SIES College of Commerce & Economics for 27 years.

Vasanji Mamania - *Independent Director*

He has around 58 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.

Shashidhar Sinha - *Independent Director*

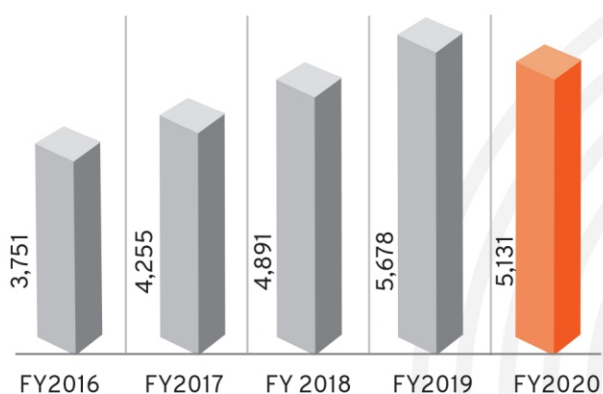
He is an alumni of IIT Kanpur and IIM Bangalore. He has over 31 years of experience in media and advertising. He is presently the CEO of IPG Mediabrands India. He is widely recognized for his strategic approach to media solutions across a wide portfolio of over 100 blue chip clients. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, Advertising Agencies Association of India, Audit Bureau of Circulation, Readership Studies Council of India (RSCI), the Broadcast Audience Research Council India (BARC). He is also an honorable member of the prestigious Facebook India Client Council.

Kirit Gala - *Independent Director*

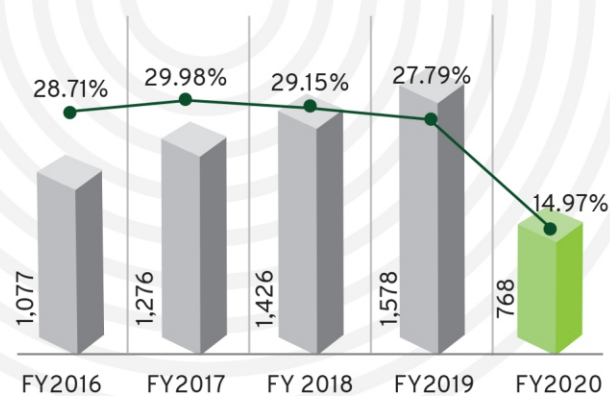
He has completed his Masters in Business Administration and Mechanical Engineering from Mumbai University. He has around 30 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He has been guest speaker on various entrepreneurial and venture capital/private equity forums and has already been featured in some leading Business magazines for his expertise.

Financial Highlights

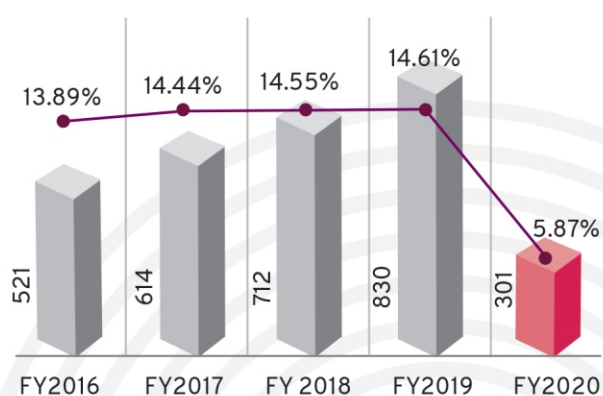
Revenue (INR Mn)



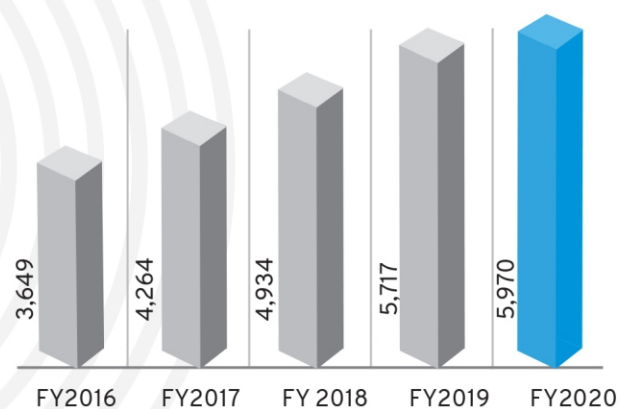
EBITDA (INR Mn) & EBITDA Margin (%)



PAT (INR Mn) & PAT Margin (%)



Networth (INR Mn)



Managing Director's Speech



“On the digital front, through YouTube and ShemarooMe, we continued to reach millions of viewers and have a daily viewership of more than 100 million on our 40+ YouTube channels.”

The Indian Media and Entertainment (M&E) industry is going through an exciting phase and is transforming rapidly. The new regulatory regime in broadcasting and increasing digital competitiveness has yet again put the consumer and content on the centre stage. This coupled with enhanced connectivity, multiple screen options, increased disposable income and technological advancements has given new dimensions to the overall entertainment consumption ecosystem. Furthermore, entertainment is no longer confined by time and place, thereby increasingly blurring the global borders. All in all, this is a very exciting time for the media and entertainment industry and we strongly believe that agility, adaptability and innovation will be the way forward in order to reap the benefits of the new opportunities that have opened up within the M&E ecosystem.

Keeping this in mind, our continued focus at Shemaroo has been on creating better customer value by strengthening our presence across platforms and markets and building new businesses. We have a formidable content library that is consumed in over 150 countries across television and digital platforms. However, the financial year 2019-20 has been the year of investment for Shemaroo. One of our remarkable achievements this year has been the foray into broadcasting with the launch of two new channels 'Shemaroo MarathiBana' and 'Shemaroo TV'. Our content already dominates the programming schedule of various leading channels in the country, and hence, launching our own TV channels backed by a strong understanding of content and a comprehensive library, seemed to be a natural progression for us. During the year, we saw an opportunity to monetize our large and diverse devotional content IP and launched seven pre-loaded devotional speakers with curated devotional songs and bhajans. On the digital front, through YouTube and

ShemarooMe, we continued to reach millions of viewers and have a daily viewership of more than 100 million on our 40+ YouTube channels. One of our YouTube channels 'Filmi Gaane' became the 7th most subscribed channel in India and 31st globally. Our in-house OTT video platform 'ShemarooMe' continued to gain traction during the year which saw the platform's launch in over 150 countries while building 40+ B2B2C partnerships across platforms.

At Shemaroo, we always strive to provide offerings that create value for all our stakeholders and this would not have been possible without the support of our employees, co-operation and faith of our shareholders and banking partners and strategic and timely guidance of our directors who have relentlessly helped to steer us towards a better future.

Looking ahead, we believe that the coming year is going to be a challenging one reeling under the effect of sluggishness in the economy coupled with the impact of Covid'19. However, we strive to strengthen our operating and financial performance as we start delivering on some of our new initiatives that have been undertaken in the past couple of years. Furthermore, we remain committed to diversify and de-risk our business by continuous investments across segments and by weaving partnerships across the media value chain that would help us derive scale, optimize costs and thereby improve profitability. With our refreshed business strategy, we are confident of excelling in all our businesses and delivering an even stronger performance to you.

Yours sincerely,
Raman Maroo

CEO's Speech



“The financial year 2019-20 was another landmark year for us on our B2C journey with the launch of two broadcast Free-To-Air (FTA) channels namely ‘Shemaroo MarathiBana’ and ‘Shemaroo TV’.”

With the launch of the broadcast channels, we have taken giant strides towards our vision of becoming a B2C Company by directly touching the lives and entertaining the Indian audience.

With Shemaroo MarathiBana, we are targeting to be a prominent leader in the Marathi movie genre and a one-stop destination for Marathi movies and theatre plays. We have over the years built a strong Marathi content library and with the launch of this new channel, we plan to strategically capture a vacuum in the Marathi movie genre.

Shemaroo TV was launched targeting the Hindi speaking markets (HSM) of India with a tagline of ‘Badalte Aaj Ke Liye’. With Shemaroo TV, we aim to connect and offer complete family entertainment by showcasing a perfect mix of originals and iconic shows, which will be consumed for the first- time by a large set of Free-To-Air (FTA) audience.

For the financial year 2019-20, your Company's revenues were INR 5,131 Million, a decline of 9.6% YoY, with an EBITDA of INR 768 Million, and a Net Profit of INR 301 Million. This financial year saw significant investment in our strategic B2C initiatives to fuel growth, which has impacted the margins.

The Indian Media and Entertainment sector reached INR 1.82 Trillion which was a growth of 9% over 2018, driven primarily by the direct to consumer segments like Digital Media, which grew by around 30.9%, taking the number three spot overtaking the filmed entertainment segment. Digital media is expected to outpace the growth across other segments in coming years as well. Various structural policies introduced in the year brought in a significant number of changes across the operational landscape for the media sector like the NTO whose major objective was to put consumer in the driving seat so that he pays only for what he watches. Obviously, these structural

changes created a situation of flux for the entire industry and all players had to realign their strategies during the year to adapt.

This year also saw our foray in the pre-loaded devotional speakers space with the launch of seven products including Shrimad Bhagwad Gita and Bhajan Vani. The idea was to give an authentic devotional experience with curated songs and bhajans, in the confines of one's house, to one-and-all having Hindu, Sikh or Islamic faith.

On the Digital media front, we continued on our path of growing ShemarooMe OTT app on a B2B2C partnership model. We partnered with multiple telco operators as well as expanded ShemarooMe's reach to other platforms in order to bring our multi genre content to the Indian consumers across the globe. We also expanded ShemarooMe's presence and availability to 150+ countries.

Through these initiatives, we are leaving no stone unturned and making relentless efforts to entertain the Indian audience all across the world. I am confident that you will witness the fruits of these efforts in the years to come.

Needless to say, the financial year 2019-20 was a challenging one for the entire Media and Entertainment industry. It is years like these that test the sustainability of a company, and although no one is out of the woods until the unfortunate Covid-19 pandemic is behind us, I am confident that we will come out of this much stronger and in a far better position than before.

Yours sincerely,
Hiren Gada

Management Discussion and Analysis

Global Economy Overview

The calendar year 2019 started off with rising tensions between the world's two largest economies – US and China. US and China together account for 40% of the nominal global GDP and the trade disputes between them had an adverse effect on the global economy and sentiment overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

Brexit was the other major event that finally took place on January 2020, after the public referendum in 2016 and years of negotiations. The impact of Brexit is expected to hurt the UK economy primarily in 2020 by having the weakest export growth since 2009. Business investments are expected to contract by 0.7%, and household spending growth is predicted to be at its slowest since 2011, due to higher unemployment.

If the pain felt across global economies was not enough in 2019, the year ended off on a worse footing with the Corona Virus being first detected in December and quickly spreading across the world's second-largest economy from the capital of Hubei province before infecting more than 110,000 people in at least 110 countries in less than three months. According to the WHO, the death toll reached more than 4,000 by March 2020. From an economic perspective, the key issue was not just the number of cases of this virus, but the level of disruption to economies. In a March report, the Organisation for Economic Co-operation and Development, or OECD, announced it had downgraded its 2020 predictions for almost all countries. The UN Conference on Trade and Development went even further and predicted that global GDP could take a USD 2 trillion hit.

As a silver lining, Governments of all countries have taken strong and bold measures to brace their economies from the expected impact of the Corona Virus. USA started off by rate cuts and infusing more than USD 1.5 Trillion into the financial system in an effort to calm the market turmoil

after Wall Street suffered its worst day since the 1987 market crash.

Indian Economy Overview

The Indian economy started this financial year on a dull note due to the liquidity crisis. In order to achieve the government's vision of making India a USD 5 Trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% in the middle of the year to spur the investments in the economy. As a result, the domestic investments contributed intermittently to the India growth story, but this proved to be a bit too little, too late.

The Consumer Price Index (CPI) showed retail inflation rising to 5.91% in March 2020 and IIP dropped by 16.7% YoY in March 2020.

The liquidity crunch stressed NBFC funding; interest rates hiked up, which resulted in a degrowth of household consumption. The Indian auto sector which has a valuable contribution to the economy went through a difficult phase in the last one year primarily due to government norms pushing to shift to BS-VI models.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. The balance of payments surplus stood at USD 21.6 Billion which was supported by FPI and FDI flows.

Although, according to the Indian Budget 2020, the real GDP growth was estimated at 5.0% in the financial year 2019-20, growing to 5.6% in financial year 2020-21. However, with recent development with regards to Covid-19 cases in India, these growth estimates are expected to take a major hit. The financial year 2021, regardless to say, is going to be a challenging one for the world and India.

Media & Entertainment Industry

The Indian Media and Entertainment (M&E) sector reached INR 1.82 Trillion (USD 25.7 Billion) in 2019, registering a growth of 9% as compared to 2018. With its current trajectory, the M&E sector in India is expected to cross

INR 2.42 Trillion (USD 34 Billion) by 2022, at a CAGR of 10%.

While television and print retained their positions as the two largest segments, digital media overtook filmed entertainment in 2019 to become the third largest segment of the M&E sector. Digital subscription revenues more than doubled from 2018 levels and digital advertising revenues grew to command 24% of total advertising spend.

The sector continues to grow at a rate faster than the GDP, driven primarily by growth in subscription-based business models and India's attractiveness as a content production and post-production destination.

The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. With a population of 1.3 Billion, a tele-density

approaching 89% of households, 688 Million internet subscribers and nearly 400 Million smart phone users, India's telecom industry is poised to become the primary platform for content distribution and consumption. India ranks as one of the fastest-growing app markets globally, where entertainment apps are driving significant consumer engagement.

Online gaming retained its position as the fastest growing segment on the back of transaction-based games mainly fantasy sports, increased in-app purchases and a 31% growth in the number of online gamers to reach around 365 Million.

	2018	2019	2020E	2022E	CAGR 2019-22
Television	740	787	790	882	4%
Print	305	296	301	309	1%
Digital media	169	221	279	414	23%
Filmed entertainment	175	191	207	244	8%
Animation and VFX	79	95	112	156	18%
Live events	75	83	94	122	14%
Online gaming	46	65	91	187	43%
Out of Home media	37	39	41	46	5%
Radio	34	31	33	36	5%
Music	14	15	17	20	10%
Total	1,674	1,822	1,965	2,416	10%

All figures of gross of taxes (INR in billion) for calendar years | EY estimates

Note: all numbers 2020 onwards are estimated before COVID

Government initiatives in the Media & Entertainment sector

The government has played an active role in supporting the media and entertainment sector, especially through various policies aimed at increasing digitization including development of digital communication infrastructure. With the objective of bringing in the next generation technology, the government intends to hold 5G spectrum auctions in 2021. According to the government, 5G based technology would help in the achievement of its Digital India vision. The economic impact of introducing 5G technology is estimated to reach US\$ 1 trillion by 2035. Some of the other important initiatives undertaken by the government are given below.

Investment under National Infrastructure Pipeline (NIP)

The government has targeted an investment of close to INR 3.2 Trillion in digital infrastructure over the next six years from FY20 to FY25 as part of the recently proposed NIP, of which the private sector is expected to contribute 71%. The NIP has set a goal of digital services access for all along with a two-fold strategy to achieve this goal, namely:

- 100% population coverage for telecom and high-quality broadband services for socio-economic empowerment of every citizen;
- digital payments and e-governance infrastructure for delivery of banking and public services.

FDI policy initiatives

The government has focused on liberalizing the FDI regime for both telecom and media and entertainment sectors, to attract investment for adequate infrastructure development. FDI limits for the telecom sector were eased in 2013 while those for the media and entertainment sector were eased in 2015 and 2016. In June 2016, FDI limits in teleports, DTH, cable networks, mobile TV, head-in-the sky broadcasting service and cable networks were completely lifted, allowing 100% FDI through the automatic route. Further, there were no express provisions in relation to digital media in the FDI policy until 2019. However, in December 2019, FDI up to 26% has been permitted under the government approval route for uploading/streaming of news and current affairs, through digital media.

TV Industry

Television segment grew 6.4% in 2019

Television advertising grew by 5% in 2019, mainly on the back of sports (IPL and the ICC world cup), marquee events like Bigg Boss, KBC, etc. and general elections for news channels. TV adex volumes fell 4% in 2019, though five of the top ten ad sectors grew their ad insertions. Advertising volumes grew 4% on regional channels. Subscription growth of 7.5% was mainly driven by a growth in end-customer pricing on account of the implementation of the NTO in February 2019, while the number of active pay television subscriptions fell. The number of channels grew by 33 in 2019, 27 of which were from the non-news category. 63% of channels were free to air. DD FreeDish added 24 channels and increased its reach. Overall time spent on TV reduced 6% post the NTO (2019 vs. Jul-Dec 2018).

	2018	2019	2020E	2022E
Advertising	305	320	341	388
Distribution	435	468	449	495
Total	740	788	790	883

INR billion (gross of taxes) | EY estimates

Note: all numbers 2020 onwards are estimated before COVID

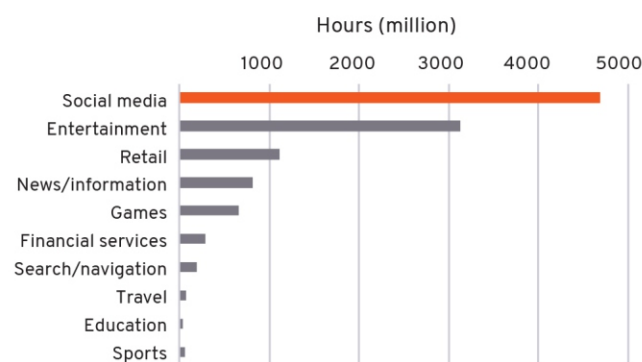
Distribution income grew 7.5% in 2019

Total subscription paid for television in India by viewers increased 7.5% in 2019, despite a fall in active paid subscriptions, on account of higher ARPUs. Subscription base for traditional unidirectional television services (cable, DTH, HITS) is expected to keep growing as penetration levels increase over the next few years.

Digital Media

Internet penetration grew by 20% and broadband subscriptions reached 661 Million. India had 395 Million smartphone users and around 4 Million connected TVs. Online video, audio, news and social media consumers all increased in 2019. Digital advertising grew 24% driven by increased consumption of content on digital platforms and marketers' tilt towards measurability and performance. Paid digital subscribers crossed 10 million and subscription revenue grew by 106% as Indians paid for online quality content. Subscription, which was 3.3% of the segment in 2017, increased to 13% in 2019.

Indians spend amongst the most time on their phones in the world and time spent on average increased 25% over 2017. Consumers spent the most time (42%) on social media and a further 28% of their time was spent on entertainment, 7% on news and 6% on gaming, taking core media's share of time spent to 41%.

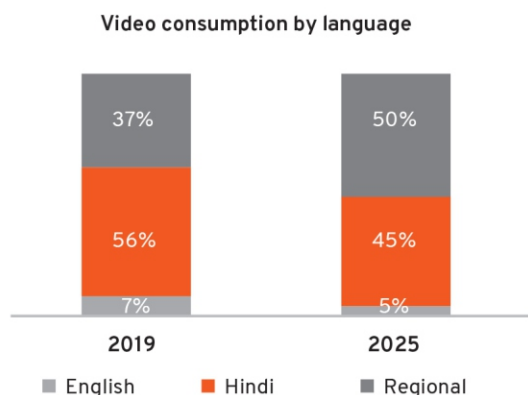


Comscore, State of mobile report 2019

Digital subscription grew by 106% in 2019 to reach INR 29.2 Billion. Video subscription revenues grew by 111% in 2019 as premium content – originals and sports – went behind the paywall and amounts paid by telcos on behalf of their customers to content owners increased significantly. Audio subscription grew comparatively slower at 18% in 2019 as the platforms are still in the customer acquisition phase and several free products are available. The percentage of paying subscribers to total OTT consumers remained less than 5% and 1% for video and audio respectively. Digital subscriptions are expected to grow at a CAGR of 30% till 2022.

	2018	2019	2020E	2022E
Video	13.4	28.2	41.5	62.4
Audio	0.8	1.0	1.3	2.1
Total	14.2	29.2	42.8	64.5

INR billion (gross of taxes) | EY estimates



EY estimates, Industry discussion, You Tube news articles

Note: all numbers 2020 onwards are estimated before COVID

Demand for original content continued to grow in video subscription

The total amount of fresh original content created for OTT platforms in 2019 is estimated to be 1,600 hours. Though viewership of live and catch-up television on broadcasters' platforms remains more than 80%, originals are important in attracting new audiences and generating paid subscribers. Growth in the demand for original content has led to growth in the content production segment. The cost of this content is between 2x and 10x higher than that of TV content to meet the quality standards of international and OTT consumers.

Audio subscription

Growth has been driven by an increase in the number of audio streaming services, with the entry of Spotify, YouTube Music, etc. during 2019 and growth in smartphone penetration in India. The number of music streamers has increased to 180 to 200 Million from 150 Million in 2018. However, paid subscribers remained below 1%, due to the prevalence of free options across all the large streaming platforms as well as music availability on YouTube (as per the IFPI Digital Music Study 2019 India report, 51% of survey respondents cited their preference for YouTube to OTT platforms, while 25% found streaming platforms to be too expensive or unaffordable). The study also saw a fall in the percentage of surveyed consumers who consumed pirated music from 73% in 2018 to 67% in 2019. Music streamers are expected to cross 400 Million by 2022 and paying subscribers to cross 5 Million.

Regulatory Framework

The Telecom Regulatory Authority of India (TRAI) amends the New Tariff Order on 1 January 2020

The amendments have been made after TRAI issued two Consultation Papers on "Tariff related issues for Broadcasting and Cable Services" and "Issues related to Interconnection Regulation, 2017" in the months of August and September 2019 respectively. Some of the major issues identified by TRAI were the INR 19 price ceiling on channels that can form a bouquet, the cap on maximum discount permissible to broadcasters while forming a bouquet, number of channels permitted in Network Capacity Fee (NCF), applicable NCF for multi-TV homes, flexibility to Distribution Platform Owners (DPOs) in offering long-term subscription plans and carriage fee payable by broadcasters to DPOs.

The amendments have significantly changed the regulatory framework and a challenge to the same has been filed in the Bombay High Court by the Indian Broadcasting Federation and other stakeholders in January 2020.

Future Outlook

The year 2020 is likely to be muted for the entire media and entertainment sector due to the ongoing crisis. While the television segment will stay as the undisputed leader, the digital segment will continue its march towards becoming the second-largest media segment after television, overtaking print.

The regional story will continue to strengthen across all media. It comprised over 50% of television viewership, 44% of films released in theatres, 43% of newspaper circulation and around 30% of OTT consumption. It is expected that the trend to consume content in regional languages to keep growing over the next few years, particularly on digital media as growth in internet users continues to be led by non-metro audiences.

Opportunities

The ongoing digitisation of content, shift to online and mobile distribution of content and the rapid pace of innovation will create opportunities to serve new customers in new markets. The presence of large and wealthy Indian diaspora abroad is another powerful enabler for market expansion. The M&E industry influenced by digitization, the convergence of TV, mobile telephony and the Internet, is poised for a growth trend. The fact that significant households in India are still without television connectivity highlights the growth in this segment. The majority of the revenue generated by broadcasters in the television industry is through advertisements, followed

by subscription. Strong growth projected in DTH and digital cable segment would result in substantial increase in subscription revenue over the years to come. Growing

interest in regional content among Indian population across borders is likely to result in increased overseas viewership.

Key Financial Ratios

Ratios	Standalone		Consolidated	
	FY19-20	FY18-19	FY19-20	FY18-19
Debtors Turnover Ratio	5.95	3.51	4.92	3.58
Inventory Turnover Ratio	0.73	0.99	0.78	0.94
Interest Coverage Ratio	2.96	6.14	2.96	5.99
Current Ratio	3.25	3.07	3.08	3.09
Debt Equity Ratio	0.38	0.35	0.42	0.35
Operating Profit Margin (%)	14.4%	28.6%	14.0%	27.1%
Net Profit Margin (%)	4.9%	15.7%	5.9%	14.5%
Return on Net Worth	11.6%	27.1%	12.1%	27.0%

The Increase In Debtors Turnover Ratio is attributable to lower credit period. The Inventory Turnover Ratio is decreased due to reduction in sales and slow market conditions. The decrease in Interest Coverage Ratio is primarily on account of lower operating profits. The decrease in Operating Profit Margin is due to increase in operational expenses. The Net Profit Margin is decreased primarily on account of lower operating profits and higher

exceptional charges during the Financial Year 2019-20 and Return on Net Worth is decreased due to lower net profit of 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/other parts of this Report.

Board's Report

Dear members

Your Directors take pleasure in submitting their 15th Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Current year 2019-2020	Previous year 2018-2019
Total Income	48,142	54,975
Total expenditure	43,544	41,790
Profit Before Taxation	4,598	13,185
Tax Expenses	1,127	4,574
Profit After Taxation	2,379	8,611
Other Comprehensive Income	110	38
Total comprehensive income for the year	2,489	8,649

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Standalone Revenue from Operations & Other Income has decreased to Rs. 48,142 Lakhs as against Rs. 54,975 Lakhs in the previous year and the Consolidated Revenue from Operations & Other Income has decreased to Rs. 51,611 Lakhs as compared to Rs. 56,957 Lakhs in the previous year.

Your Company had a standalone Net Profit after tax of Rs. 2,379 Lakhs as compared to the Net Profit after tax of Rs. 8,611 Lakhs in the previous financial year and a consolidated Net Profit after tax of Rs. 3,014 Lakhs as compared to the Net Profit after tax of Rs. 8,295 Lakhs in the previous financial year.

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

3. IMPACT OF COVID-19 ON THE BUSINESS

To prevent and contain the spread of the Covid-19 virus, Government has enforced Nationwide lockdowns of all activities except essential services. In this situation, the Company's foremost focus was wellbeing, safety of employees and continuity of operations, being categorised as essential services. The Company was in operations remotely during the lockdown and partially operating even from office complying with the advisories issued by concerned authorities from time to time. However, COVID-19 pandemic across the world had a bittersweet impact on Company's business. As people stayed at home with limited entertainment options, the Company noticed a spike in its subscriber base and subscription-based businesses but on the other hand, despite an increase in consumption, the Company's advertisement-dependent businesses were heavily impacted because of most of the brands slashed their advertising spends in view of this unprecedented slowdown in the economy and their business activities coming to a standstill. Further, availability of content is constrained because of stoppage of fresh production since the start of the lockdown period and Decline in content buying by

broadcasters due to the drop in their advertising revenue. The management believes that this is a temporary setback and is positive that the economy and the media and entertainment sector will bounce back soon with rejuvenated demand and advertising spends.

4. SUBSIDIARIES AND ASSOCIATE COMPANIES

During the year under review, the Company has closed down two of its non-operational foreign wholly owned subsidiary companies (WOS) situated at UK and US namely Shemaroo Entertainment (UK) Limited and Shemaroo Entertainment INC, USA, respectively.

Further, the Company has incorporated Shemaroo Entertainment Limited LLC, foreign wholly owned subsidiary Company at Al Ain, Abu Dhabi, with an objective to expand Company's businesses in the United Arab Emirates region but the Company at its Board Meeting held on July 29, 2020 decided to close down the said subsidiary due to non-viability of the projects in current scenario of economy slowdown.

The closure of this WOS will not affect company's core business and is unlikely to face any significant impact on the accounts/accounting policies.

As on March 31, 2020, 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.

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

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

During the year ended March 31, 2020, the Company does not have any material subsidiary companies as defined in the SEBI Listing Regulations. The Policy for determining Material

Subsidiaries of the Company is available on the Company's website at www.shemarooent.com under Investors section.

5. MANAGEMENT DISCUSSION AND ANALYSIS

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

6. DIVIDEND

With a view to conserve the resources in current uncertain situation, your Directors have not recommended any dividend for the year ended March 31, 2020.

7. TRANSFER TO RESERVE

The Company proposes to retain the entire amount of Rs. 2,489.50 Lakhs in the profit and loss account.

8. PUBLIC DEPOSITS

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

9. ANNUAL RETURN

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

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

11. CREDIT RATING

During the year under review, CARE Ratings reviewed and assigned their rating of "CARE A - (Single A Minus); Stable", for Long Term Bank Facilities of Rs. 254.80 Crore

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

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

13. DIRECTORS RESPONSIBILITY STATEMENT

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

1. in the preparation of the Annual Accounts for the year ended March 31, 2020, 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, 2020 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, 2020 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. Directors

During the year under review, at the 14th Annual General Meeting (AGM) held on September 24, 2019, Dr. CA Reeta Shah (DIN:07141304) was re-appointed as Independent Non-Executive Director of the Company for the second term of 5 years w.e.f. March 28, 2020 up to March 27, 2025 and Mr. Jai Maroo appointed as Executive Director of the Company for a period of 5 years with effect from May 13, 2019.

Mr. Atul Maru (DIN: 00169264), Director on the Board, is liable to retire by rotation at the 15th Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment.

The Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Raman Maroo (DIN: 00169152), Mr. Atul Maru and Mr. Hiren Gada as Managing Director, Joint Managing Director and Whole Time Director, CEO & CFO respectively, to hold office for the further period of five years commencing from January 01, 2021 up to December 31, 2025 on the terms and conditions as set out in Notice of 15th Annual General Meeting.

Re-appointment of Mr. Raman Maroo, Mr. Atul Maru and Mr. Hiren Gada are placed for your approval at the AGM. Your Directors recommend their Re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI Listing Regulations. Further, In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency (the online proficiency self-assessment test conducted by IICA to be appeared/ appeared within a period of 1 year of registration by Independent Directors) required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations.

b. Key Managerial Personnel

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

- | | | | |
|------|------------------|---|--|
| i. | Mr. Raman Maroo | - | Managing Director |
| ii. | Mr. Atul Maru | - | Jt. Managing Director |
| iii. | Mr. Hiren Gada | - | CEO & CFO |
| iv. | Mr. Dipesh Gosar | - | Company Secretary & Compliance Officer |

- v. Ms. Kranti Gada – Chief Operating Officer
- vi. Ms. Smita Maroo – Sr. VP - Animation, Kids Digital, L&M
- vii. Ms. Mansi Maroo – Co-producer - Film
- viii. Mr. Vinod Karani – EVP - Broadcast Syndication & Acquisition
- ix. Mr. Hemant Karani – Sr. VP - Studio
- x. Mr. Ketan Maru – Sr. VP - Film Production
- xi. Mr. Bipin Dharod – Sr. VP - Physical Sales & Distribution

c. Meetings of Board of Directors

During the year under review, the Board met 5 times. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this report.

d. Audit Committee

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

e. Performance Evaluation of the Board

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

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

f. Familiarisation Programme of Independent Directors

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

g. Policy on Appointment and Remuneration

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

15. AUDITORS AND AUDITORS REPORT

a. Statutory Auditors

M/s. M. K. Dandeker & Co., Chartered Accountants (ICAI Firm Registration No. 000679S), were appointed as Statutory Auditors for a term of 5 years at the 11th Annual General Meeting of the Company held on 26th September, 2016, till the conclusion of the 16th Annual General Meeting to be held in the year 2021, subject to ratification of their appointment at every subsequent Annual General Meeting. Further, pursuant to the amendment to Section 139 of the Companies Act, 2013 effective May 7, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

M/s. M. K. Dandeker & Co. have expressed their willingness to continue as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Act and the rules framed 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.

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

b. Secretarial Auditors

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

The Secretarial Compliance Report for the financial year ended 31st March, 2020, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations was submitted to Stock Exchange(s).

There are no qualifications, reservations, or adverse remarks in the Secretarial Audit and Secretarial Compliance Report issued by them for the financial year 2019-20.

16. RELATED PARTY CONTRACTS OR ARRANGEMENTS

All Related Party Transactions executed in financial year 2019-20 were on arms' length basis and in the ordinary course of business. All related party transactions are placed before the Audit Committee for their prior approval and the details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

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

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

17. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

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

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

18. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

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

The Company has also appointed M/s Gawande & Associates, Chartered Accountants, Internal Auditors of the Company. It formulates the audit plan, scope, functioning and methodology, which are reviewed every year, in a manner that they cover all areas of operations. The Audit Committee periodically deliberates on the operations of the Company with the Members of the Management. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

19. RISK MANAGEMENT

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

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

In terms of Regulation 21 of the SEBI Listing Regulations, the Constitution of Risk Management Committee was not applicable during the financial year 2019-2020.

20. WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

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

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

Pursuant to applicable provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

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

The details of unclaimed dividend / application money as on March 31, 2020 are as follows:

Sr. No.	Particular	Date of declaration	Due date for transfer to IEPF
1.	Unclaimed Final Dividend for FY 2018-2019	24.09.2019	29.10.2026
2.	Unclaimed Final Dividend for FY 2017-2018	11.09.2018	17.10.2025
3.	Unclaimed Final Dividend for FY 2016-2017	27.09.2017	02.11.2024
4.	Unclaimed Final Dividend for FY 2015-2016	26.09.2016	01.11.2023
5.	Unclaimed Final Dividend for FY 2014-2015	21.09.2015	28.10.2022
6.	Unclaimed Application Money	27.09.2014	27.09.2021

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

22. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

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

23. CORPORATE GOVERNANCE

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

24. COMPLIANCE WITH SECRETARIAL STANDARDS

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

25. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

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

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

26. HUMAN RESOURCES

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

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

The total employee strength at the end of financial year 2019-2020 is 590.

27. SEXUAL HARASSMENT

The Company has in place policy for the prevention of sexual harassment at workplaces in line with the requirements of the Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder and conducted sessions for employees across the organization to sensitise

employees and build awareness on Prevention of Sexual Harassment at work place. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review no complaints were received in regard to sexual harassment.

28. CORPORATE SOCIAL RESPONSIBILITY

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

A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2019-20 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in Annexure 'C' to the Report.

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

29. CAUTIONARY STATEMENT

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

30. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

sd/-
Raman Maroo
Managing Director
DIN: 00169152

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

Mumbai
July 29, 2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Motion picture, video and television programme distribution activities	5913	97.61%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Canopy Entertainment Private Limited B-301, Boolani Estate, Link Road, Andheri (West), Mumbai - 400053.	U22130MH2012PTC237345	Subsidiary	100	2(87)(ii)
2	Shemaroo Media & Entertainment LLC 50 Harrison Street, PH 401, Hoboken, New Jersey 07030	NA	Subsidiary	100	2(87)(ii)
3	Shemaroo Entertainment Limited LLC Off. No 204, Oud Al Touba Road, 139, Floor M2, Mohammed Saif Al Neyadi Building, Al Ain City, P.O. Box -125031	NA	Subsidiary	100	2(87)(ii)
4	Vistaas Digital Media Private Limited A1/502, Yogi Palace, Yogi Nagar, Borivali (West), Mumbai - 400091	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. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% 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	16084080	0	16084080	59.17	0.06
(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	16084080	0	16084080	59.17	0.06
(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	17906920	0	17906920	65.88	0.06
B	PUBLIC SHAREHOLDING									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / Financial Institutions	4367	0	4367	0.02	0	0	0	0.00	-0.02
(c)	Alternate Investment Funds	52416	0	52416	0.19	0	0	0	0.00	0.19
(d)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Portfolio Investor	5003641	0	5003641	18.41	5393478	0	5393478	19.84	1.43
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1):	5060424	0	5060424	18.62	5393478	0	5393478	19.84	1.23
(2)	Non Institutions									
(a)	Bodies corporates	946526	0	946526	3.48	841252	0	841252	3.09	-0.39
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakhs	1703131	1	1703132	6.27	1396745	1	1396746	5.14	-1.13
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1058306	50636	1108942	4.08	977539	50636	1028175	3.78	-0.30
(c)	Others (specify)									
(i)	Directors / Relative	50636	0	50636	0.19	50636	0	50636	0.19	0.00
(ii)	Hindu Undivided Family	76549	0	76549	0.28	62065	0	62065	0.23	-0.05
(iii)	Clearing Member	23413	0	23413	0.09	21850	0	21850	0.08	-0.01
(iv)	Office Bearers	12202	0	12202	0.04	9502	0	9502	0.03	-0.01
(v)	Non Resident Indians	308495		308495	1.13	471615		471615	1.74	0.60
	SUB TOTAL (B)(2):	4179258	50637	4229895	15.56	3831204	50637	3881841	14.28	-1.28
	Total Public Shareholding(B)= (B)(1)+(B)(2)	9239682	50637	9290319	34.18	9224682	50637	9275319	34.12	-0.06
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	27131602	50637	27182239	100.00	27131602	50637	27182239	100.00	0.00

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year- 01.04.2019			Shareholding at the end of the year - 31.03.2020			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Buddhichand Maroo	3575320	13.15	0	3575320	13.15	0	0.00
2	Raman Maroo	4809520	17.69	0	4809520	17.69	0	0.00
3	Atul Maru	4809520	17.69	0	4809520	17.69	0	0.00
4	Hiren Gada	1093680	4.03	0	1093680	4.03	0	0.00
5	Jai Maroo	1234200	4.54	0	1234200	4.54	0	0.00
6	Technology and Media Group Pte Limited	1822840	6.71	0	1822840	6.71	0	0.00
7	Kranti Gada Arambhan	546840	2.01	0	546840	2.01	0	0.00
8	Denzil Arambhan	0	0	0	15000	0.06	0	0.06
	Total	17891920	65.82	0	17906920	65.88	0	0.06

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2019		Date wise Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding at the end of the year - 31.03.2020	
		No of shares	% of total shares of the company			No of shares	% of total shares of the company
1	Buddhichand Maroo	3575320	13.15	01/04/2019		3575320	13.15
				31/03/2020		3575320	13.15
2	Raman Maroo	4809520	17.69	01/04/2019		4809520	17.69
				31/03/2020		4809520	17.69
3	Atul Maru	4809520	17.69	01/04/2019		4809520	17.69
				31/03/2020		4809520	17.69
4	Hiren Gada	1093680	4.03	01/04/2019		1093680	4.03
				31/03/2020		1093680	4.03
5	Jai Maroo	1234200	4.54	01/04/2019		1234200	4.54
				31/03/2020		1234200	4.54
6	Technology and Media Group Pte Ltd	1822840	6.71	01/04/2019		1822840	6.71
				31/03/2020		1822840	6.71
7	Kranti Gada Arambhan	546840	2.01	01/04/2019		546840	2.01
				31/03/2020		546840	2.01
8	Denzil Arambhan	0	0	27/03/2020	11870	Purchase	
				31/03/2020	3130	Purchase	15000
							0.06

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2019		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2020	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	NEW HORIZON OPPORTUNITIES MASTER FUND	2614000	9.62	01/04/2019			2614000	9.62
				09/08/2019	-172200	Sale	2441800	8.98
				04/10/2019	-30000	Sale	2411800	8.87
				22/11/2019	-7475	Sale	2404325	8.85
				21/02/2020	-35605	Sale	2368720	8.71
				28/02/2020	-59121	Sale	2309599	8.50
				31/03/2020			2309599	8.50
2	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	1273218	4.68	01/04/2019			1273218	4.68
				19/07/2019	110779	Purchase	1383997	5.09
				26/07/2019	173796	Purchase	1557793	5.73
				02/08/2019	3439	Purchase	1561232	5.74
				09/08/2019	133055	Purchase	1694287	6.23
				04/10/2019	70554	Purchase	1764841	6.49
				31/03/2020			1764841	6.49
3	FIDELITY ASIAN VALUES PLC	552649	2.03	01/04/2019			552649	2.03
				19/07/2019	31976	Purchase	584625	2.15
				26/07/2019	46243	Purchase	630868	2.32
				02/08/2019	2231	Purchase	633099	2.33
				09/08/2019	33375	Purchase	666474	2.45
				04/10/2019	25068	Purchase	691542	2.54
				31/03/2020			691542	2.54
4	TATA INVESTMENT CORPORATION LIMITED	375000	1.38	01/04/2019			375000	1.38
				31/03/2020			375000	1.38
5	KITARA INDIA MICRO CAP GROWTH FUND	296384	1.09	01/04/2019			296384	1.09
				26/04/2019	-1750	Sale	294634	1.08
				30/08/2019	-5963	Sale	288671	1.06
				13/09/2019	-14366	Sale	274305	1.01
				31/03/2020			274305	1.01
6	KAPITALFORENINGEN INSTITUTIONEL INVESTOR, ASIATISKE SMID CAP AKTIER	143760	0.53	01/04/2019			143760	0.53
				12/07/2019	42315	Purchase	186075	0.68
				19/07/2019	31842	Purchase	217917	0.80
				26/07/2019	19752	Purchase	237669	0.87
				02/08/2019	1677	Purchase	239346	0.88
				09/08/2019	11992	Purchase	251338	0.92
				04/10/2019	7784	Purchase	259122	0.95
				31/03/2020			259122	0.95
7	SNEHAL BHUPENDRA SHAH	178000	0.65	01/04/2019			178000	0.65
				31/03/2020			178000	0.65
8	NEW HORIZON WEALTH MANAGEMENT PVT. LTD	160000	0.59	01/04/2019			160000	0.59
				31/03/2020			160000	0.59
9	MADHAV BHATKULY	135800	0.50	01/04/2019			135800	0.50
				31/03/2020			135800	0.50

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2019		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2020	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
10	GAURAV CHANDRAKANT SHAH	0	0.00	01/04/2019			0	0.00
				25/10/2019	10000	Purchase	10000	0.04
				01/11/2019	3449	Purchase	13449	0.05
				08/11/2019	6543	Purchase	19992	0.07
				22/11/2019	1911	Purchase	21903	0.08
				06/12/2019	35	Purchase	21938	0.08
				31/12/2019	-147	Sale	21791	0.08
				03/01/2020	-1791	Sale	20000	0.07
				10/01/2020	10000	Purchase	30000	0.11
				17/01/2020	-8857	Sale	21143	0.08
				24/01/2020	-1143	Sale	20000	0.07
				21/02/2020	13491	Purchase	33491	0.12
				28/02/2020	45378	Purchase	78869	0.29
				06/03/2020	18740	Purchase	97609	0.36
		13/03/2020	5978	Purchase	103587	0.38		
		31/03/2020			103587	0.38		

Note: Top ten shareholders of the Company as on March 31, 2020 has been considered for the above disclosure.

(v) Shareholding of Directors & KMP

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2019		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2020	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	BUDDHICHAND MAROO	3575320	13.51	01/04/2019			3575320	13.51
				31/03/2020			3575320	13.51
2	RAMAN MAROO	4809520	17.69	01/04/2019			4809520	17.69
				31/03/2020			4809520	17.69
3	ATUL MARU	4809520	17.69	01/04/2019			4809520	17.69
				31/03/2020			4809520	17.69
4	HIREN GADA	1093680	4.03	01/04/2019			1093680	4.03
				31/03/2020			1093680	4.03
5	JAI MAROO	1234200	4.54	01/04/2019			1234200	4.54
				31/03/2020			1234200	4.54
6	KRANTI GADA ARAMBHAN	546840	2.01	01/04/2019			546840	2.01
				31/03/2020			546840	2.01
7	VASANJI MAMANIA	50636	0.18	01/04/2019			50636	0.18
				31/03/2020			50636	0.18
8	VINOD KARANI	12039	0.04	01/04/2019			12039	0.04
				27/06/2019	2700	Sale	9339	0.03
				31/03/2020			9339	0.03
9	KETAN MARU	20	0.00	01/04/2019			20	0.00
				31/03/2020			20	0.00
10	HEMANT KARANI	140	0.00	01/04/2019			140	0.00
				31/03/2020			140	0.00
11	DIPESH GOSAR	3	0.00	01/04/2019			3	0.00
				31/03/2020			3	0.00

V INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2019)				
i) Principal Amount	12,832.55	7,379.17	-	20,211.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,832.55	7,379.17	-	20,211.73
Change in Indebtedness during the financial year				
Additions	628.67	3,981.45	-	4,610.11
Reduction	487.37	1,309.63	-	1,797.00
Net Change	141.30	2,671.81	-	2,813.11
Indebtedness at the end of the financial year (As on 31.03.2020)				
i) Principal Amount	12,973.85	10,050.98	-	23,024.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	17.98	-	17.98
Total (i+ii+iii)	12,973.85	10,068.96	-	23,042.81

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Raman Maroo	Atul Maru	Hiren Gada	Jai Maroo	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	52,28,400	52,28,400	52,28,400	21,22,643	1,78,07,843
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39,600	39,600	-	1,18,800
(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	21,600	21,600	21,600	-	64,800
	TOTAL	52,89,600	52,89,600	52,89,600	21,22,643	1,79,91,443
	Ceiling as per Section 198 of the Companies Act, 2013	Rs. 442.03 Lakhs (being 10% of Net Profits of the Company)				

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Fee for attending board meetings	Commission	Others	Total Amount	
1	Independent Directors					
	Gnanesh Gala §	-	-	-	-	
	Kirit Gala § -	-	-	-	-	
	Reeta Shah	1,00,000.00	-	-	1,00,000.00	
	Shashidhar Sinha	60,000.00	-	-	60,000.00	
	Vasanji Mamania	80,000.00	-	-	80,000.00	
	Total (1)	2,40,000.00	-	-	2,40,000.00	
2	Other Non Executive Directors					
	Buddhichand Maroo	1,00,000.00	-	-	1,00,000.00	
	Jai Maroo*	20,000.00	-	-	20,000.00	
	Total (2)	1,20,000.00	-	-	1,20,000.00	
	Total (1+2)	3,60,000.00	-	-	3,60,000.00	
	Ceiling as per Section 198 of the Companies Act, 2013	Rs.44.20 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.

* Mr. Jai Maroo ceased to be Non-executive Director and appointed as Executive Director w.e.f 13.05.2019

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel								Total
		Hemant Karani	Vinod Karani	Ketan Maru	Bipin Dharod	Dipesh Gosar	Smita Maroo	Kranti Gada	Mansi Maroo	
1	Gross Salary									
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	53.83	147.19	37.13	33.88	15.75	39.06	35.16	17.47	379.48
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40	-	0.40	-	0.40	1.35	0.40	3.33
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-	-	-
5	Others	1.17	2.81	0.87	0.77	0.50	0.94	0.84	0.53	8.42
	Total	55.40	150.40	38.00	35.05	16.25	40.40	37.35	18.40	391.23

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020

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 2019-20 is as follows:

(Rs. in Lakhs)

Sr. No.	Name	Total Remuneration for financial year 2019-20	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Buddhichand Maroo* Chairman & Non-Executive Director	-	-	-
2.	Raman Maroo Managing Director	52.90	0.00	9.26
3.	Atul Maru Joint Managing Director	52.90	0.00	9.26
4.	Hiren Gada Chief Executive Officer & Chief Financial Officer	52.90	0.00	9.26
5.	Jai Maroo Executive Director	21.23	**	**
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	16.25	0.46	2.85

* 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. Jai Maroo, Executive Director 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. 5,70,970/-
- C. The percentage increase in the median remuneration of Employees for the financial year was 12.42%.
- D. There were 590 permanent employees on the rolls of Company as on March 31, 2020.
- E. Average percentile increase in the salaries of employees other than Managerial Personnel was 11.34% whereas decrease in the Managerial Remuneration was 3.92%. Average Remuneration increase/decrease is dependent on the Company's performance as a whole, individual performance level and also on market benchmarks and economy scenario.
- F. It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR THE FINANCIAL YEAR 2019-2020

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company has a CSR policy in place which endorses the idea of improving quality of lives of people in the communities in which it operates, as it believes that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies.</p> <p>The thrust areas of the Company's CSR activities are as under:</p> <ol style="list-style-type: none"> 1. Livelihood security and enhancement 2. Education 3. Healthcare and Social welfare 4. Arts/Sports and culture <p>The above areas are mapped with the activities as prescribed in Schedule VII of the Companies Act, 2013 in the Annexure.</p> <p>The policy elucidates the responsibilities of the Board & CSR Committee and implementation & monitoring process towards achieving the Company's CSR goals. The CSR Policy of the Company has been uploaded on the website of the Company at www.shemarooent.com</p>
2	The Composition of the CSR Committee	<ol style="list-style-type: none"> 1. Mr. Atul Maru (Chairman and Jt. Managing Director) 2. Mr. Hiren Gada (Member and CEO & CFO) 3. Mr. Vasanji Mamania (Member and Independent Director)
3	Average net profit of the company for last three financial years	Rs 11,134.86 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 222.70 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 247.75 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: July 29, 2020

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), Ahmedabad (Gujarat)	30.00	30.50	30.50	Indirect
2	Health awareness camp - for organising Blood Donation camp, health check-up for poor people, providing free medicines, drinking water supply, supplementing efforts of hospitals through a range of patient welfare services, infrastructure support for cancer diagnosis, aiding medical research & construction of sanitary facilities viz., toilets, etc.	Health care, Hygiene & Medical Facilities	Mumbai (Maharashtra), Junagadh, Ahmedabad (Gujarat)	92.00	92.90	92.90	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, disaster management, including relief, rehabilitation and reconstruction activities.	Rural Transformation & Protection of natural heritage, art & culture, draught relief	Mumbai (Maharashtra), Mandavi, Bhuj (Kutch), Ahmedabad (Gujarat), Nathdwara (Rajasthan)	100.70	124.36	124.36	Indirect

* Details of implementing agency:

1. Aghori Aadeshnathji Charitable Trust; 2. All India Social Educational Charitable Trust; 3. Asiatic Charitable Trust; 4. Banni Sindhu Seva Sangh; 5. Dhirajlal Manilal Mehta Foundation; 6. Gopal Krishna Gauseva Charitable Trust; 7. Gujarati Kelvani Parishad; 8. Institute of Youth Development; 9. K V O Mitra Mandai; 10. Kutch Rachana Gramya Vikas Trust; 11. Mahila Vikas Mandal Junagadh; 12. Paras Padmavati Jinshasan Trust; 13. Shree K.V.O. Jain Mahajan Mumbai; 14. Smt. Kamla Mehta Dadar School for the Blind; 15. Tatpadam Upavan; 16. United Way of Mumbai; 17. Vision Foundation of India; 18. 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, 2020, 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 4 (Four) are Executive Directors (40% of the Board strength), 1 (One) are Non-Executive Directors (10% of the Board strength) and 5 (Five) are Independent Non-Executive Directors (50% of the Board strength) including 1 (One) Women Independent Director.

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

None of the Directors including the Independent Directors of the Company have resigned during the FY 2019-20.

During the financial year, the Board of the Company met 5 (five) times i.e. on April 15, 2019; May 13, 2019; August 6, 2019; October 17, 2019; and February 11, 2020. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

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

The Board's composition, attendance and their directorship / committee membership, chairmanship in other Companies as on March 31, 2020 is given below:

Sr. No.	Name, Designation, DIN	Category	Attendance at Board meeting	Attendance at last AGM held on September 24, 2019	No. of other Directorships and Committee memberships/Chairmanships held		
					Other Directorships #	Chairmanships@	Memberships of Committees@
1.	Mr. Raman Maroo, Managing Director (DIN:00169152)	Promoter Executive Director	5/5	YES	1	NIL	NIL
2.	Mr. Atul Maru, Jt. Managing Director (DIN:00169264)	Promoter Executive Director	5/5	YES	NIL	NIL	1
3.	Mr. Hiren Gada, CEO & CFO (DIN:01108194)	Promoter Executive Director	4/5	YES	1	NIL	1
4.	Mr. Buddhichand Maroo, Chairman (DIN:00169319)	Promoter Non-Executive Director	5/5	YES	NIL	NIL	NIL
5.	Mr. Jai Maroo, Executive Director – Transformation & Excellence (DIN:00169399)	Promoter Executive Director	5/5	YES	NIL	NIL	NIL
6.	Mr. Gnanesh Gala, Independent Director (DIN: 00093008)	Non-Executive Director	5/5	YES	1	1	1
7.	Mr. Shashidhar Sinha, Independent Director (DIN:00953796)	Non-Executive Director	3/5	NO	2	NIL	2
8.	Mr. VasANJI MAMANIA, Independent Director (DIN:00013071)	Non-Executive Director	4/5	NO	NIL	NIL	1
9.	Mr. Kirit Gala, Independent Director (DIN:01540274)	Non-Executive Director	4/5	NO	NIL	NIL	1
10.	Dr. CA Reeta Shah, Independent Director (DIN:07141304)	Non-Executive Director	5/5	YES	NIL	1	NIL

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

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

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

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

b. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2020:

Name of the Director(s)	Shares Held (Nos.)
Mr. Buddhichand Maroo	35,75,320
Mr. VasANJI MAMANIA	50,636

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

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

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

In the table below, the core areas of focus or expertise of individual Board members have been highlighted:

Name, Designation	Business Strategic Expertise, Administration & Decision making	Marketing and Advertisement	Information Technology	Financial & Management skills, Accountancy and Audit	Legal	Human Resource Management	Risk Management
Mr. Raman Maroo, Managing Director	✓	✓	-	-	-	-	✓
Mr. Atul Maru, Jt. Managing Director	✓	✓	-	-	-	-	✓
Mr. Hiren Gada, CEO & CFO	✓	✓	-	✓	-	-	✓
Mr. Buddhichand Maroo, Chairman	✓	-	-	-	-	-	✓
Mr. Jai Maroo, Executive Director – Transformation & Excellence	✓	-	✓	-	-	✓	✓
Mr. Gnanesh Gala, Independent Director	✓	-	-	✓	-	-	✓
Mr. Shashidhar Sinha, Independent Director	✓	✓	✓	-	-	-	✓
Mr. Vasanji Mamania, Independent Director	✓	-	-	✓	-	-	✓
Mr. Kirit Gala, Independent Director	✓	✓	✓	✓	-	-	✓
Dr. CA Reeta Shah, Independent Director	✓	-	-	✓	✓	-	✓

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

d. Board Independence:

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

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

e. Board Procedure:

The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule. The Board Meetings of the Company are conducted as per well designed and structured agenda. All the agenda items, are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting), are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Agenda also includes minutes of the meetings of all the

Board Committees and Subsidiaries for the information of the Board. During the financial year, the minimum information as mentioned in Part A of Schedule II of SEBI Listing Regulations were placed before the Board for its consideration. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification / approval.

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

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

f. Separate Independent Directors' Meetings:

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on May 13, 2019, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the Meeting, the Independent Director reviewed and evaluated the performance of the Chairman, Managing Director and other Non-Independent Directors, the Board and flow of information between the management and the Board.

g. Familiarization programmes:

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

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

h. Board Evaluation:

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

3. COMMITTEES OF THE BOARD

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

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

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

A. Audit Committee:

i. Composition and Attendance at the Meeting

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by 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 4(four) times during the year under review. The Committee Meetings were held on the following dates May 13, 2019; August 6, 2019; October 17, 2019 and February 11, 2020.

The Composition and attendance at the Meetings was as under:

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

Mr. Gnanesh Gala, Chairman of the Audit Committee was present at the last Annual General Meeting of Company held on September 24, 2019.

ii General

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

iii. Powers of Audit Committee

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

iv. Role of the Audit Committee

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

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

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism / Vigil Mechanism.
- Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.
- Reviewing the following information:
 1. The Management, Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by the management;
 3. Management Letters/Letters of internal control weaknesses issued by statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to the review by the Audit Committee.
 6. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulation 32(7).
 7. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

B. Nomination and Remuneration Committee

i. Composition and Attendance at the Meeting

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

The Nomination & Remuneration Committee was re-constituted by the Board at its meeting held on May 13, 2019. The Nomination & Remuneration Committee comprises of the members as stated below. The Committee met once i.e. on May 13, 2019 during the year under review. The attendance of the members was as under:-

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

*Mr. Buddhichand Maroo, Non-Executive Director was appointed as the Member of the committee in place of Mr. Jai Maroo w.e.f.13.05.2019.

Mr. VasANJI Mamania, Chairman of the Nomination & Remuneration Committee had authorised Mr. Buddhichand Maroo, Non-Executive Director and member of Nomination & Remuneration Committee to attend the last Annual General Meeting of the Company held on September 24, 2019, on his behalf due to pre-occupations.

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

Terms of Reference of the Committee

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

ii. Nomination & Remuneration Policy

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

• Board Membership Criteria

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

The criteria for appointment to the Board include:

- 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, 2020 is provided hereinafter:

Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2020:

(Rs. in lakhs)

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	TOTAL
Mr. Raman Maroo	52.28	Nil	Nil	0.62	52.90
Mr. Atul Maru	52.28	Nil	Nil	0.62	52.90
Mr. Hiren Gada	52.28	Nil	Nil	0.62	52.90
Mr. Jai Maroo*	21.23	0.20	-	-	21.43

*Mr. Jai Maroo appointed as Executive Director w.e.f.13.05.2019.

Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2020:

(Amount in Rs.)

Name of Director	Sitting Fees for attending Board Meeting
Mr. Buddhichand Maroo	1,00,000
Mr. Vasanji Mamania	1,00,000
Mr. Gnanesh Gala *	Nil
Mr. Kirit Gala*	Nil
Mr. Shashidhar Sinha	60,000
Dr. CA Reeta Shah	100,000
Mr. Jai Maroo**	20,000
TOTAL	3,80,000

Notes:

1. No commission was paid to the Non-Executive Directors during the financial year ended on March 31, 2020.
2. *No sitting fees was paid to Mr. Gnanesh Gala and Mr. Kirit Gala, Independent Directors, who have decided not to accept any sitting fees for attending meetings of the Board.
3. **Mr. Jai Maroo appointed as Executive Director and ceased to be Non-executive Director w.e.f.13.05.2019.
4. Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non-executive Directors.
5. No Service contracts executed and Severance Fee, Notice period 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 4(four) times during the year under review. The Committee Meetings were held on the following dates May 13, 2019; August 6, 2019; October 17, 2019 and February 11, 2020.

The attendance at the Meeting was as under:

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

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 24, 2019.

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

ii. Compliance Officer

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

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

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

iv. Investor Grievance Redressal

As per the below mentioned table, the detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

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

As on March 31, 2020, no complaints were outstanding.

D. Corporate Social Responsibility Committee (CSR):

i. Composition and Attendance at the Meeting

The Company has constituted a CSR Committee as required under Section 135 of the Act. The CSR Committee comprises of the members as stated below. The Committee during the year under review met 3 (Thrice) times on May 13, 2019, October 24, 2019 and February 11, 2020.

The CSR Committee meeting held on October 17, 2019 was adjourned due to the requirement of minimum quorum, which was not present and was convened on October 24, 2019.

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

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

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

E. Executive Committee

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

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

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

Terms of reference

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

- To open and operate Bank Accounts.
- To authorize change in signatories.
- To give instructions relating to the transactions of the Company with the Banks.
- To give necessary instructions for closure of Bank Accounts.
- To issue / revalidate / cancel Powers of Attorney.
- To authorize persons to act on behalf of the Company in relation to legal proceedings, appearing before any government authorities/agencies, dealing with the outside parties or in relation to any other matter where such authorization is required.
- To invest the funds of the Company within the limits approved by the Board in Shares, Debentures, Mutual Funds, FDRs and Bonds of Bodies Corporate and Government or Semi Government agencies.
- To avail loans, credit facilities, lease arrangements, inter corporate borrowings and other borrowing from Banks / Financial Institutions within the limits approved by the Board.
- To accept the terms and conditions for availing the said financial assistance.
- To authorize execution of documents and affix the Common Seal of the Company, wherever necessary.
- To request Banks or Financial Institutions for disbursement of funds.
- To create security on the assets of the Company for availing of the above-mentioned facilities.
- To do all acts, deeds and things, as may be required or considered necessary or incidental thereto.
- Any other related matters.

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

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

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

5. SUBSIDIARY COMPANIES

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

6. GENERAL BODY MEETINGS

a) Annual General Meetings

During the preceding three years, the Company's Annual General Meetings were held at M. C. Ghia Hall (Royal Banquet), 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001 on the following dates and times, wherein the following special resolutions were passed.

Financial Year	Day, Date	Time	Brief Description of Special Resolution
2018-2019	Tuesday, September 24, 2019	04:00 PM	- Re-appointment of Dr. CA Reeta Bharat Shah (DIN: 07141304) as an Independent Director of the Company. - Appointment of Mr. Jai Buddhichand Maroo (DIN: 00169399) as Executive Director of the Company.
2017-2018	Tuesday, September 11, 2018	04:00 PM	- To continue the Directorship of Mr. Buddhichand Maroo (DIN: 00169319) as Non-Executive Director of the Company.
2016-2017	Wednesday, September 27, 2017	04:00 PM	-

b) Postal Ballot

During the year, no resolution was passed through postal ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

c) Means of Communication with Shareholders

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

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

News Releases/Presentations: Official Press Releases, presentations made to media, analysts, institutional investors etc. are sent to the Stock Exchanges and are displayed on the Company's website at www.shemarooent.com.

Website: The Company's website (www.shemarooent.com) contains a separate section "Investor Centre" where shareholders' information is available. The Company's Quarterly, half yearly and annual financial results, official news releases and presentations made to institutional investors and to the Analysts are promptly displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern, Unclaimed Dividends, Share price tools includes, inter-alia, share graphs, historical share price data and other Corporate Communications made to the Stock Exchanges are also available on the website. Annual Report of Subsidiary Companies are also posted on the website.

Communication to shareholders on Email: As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which helped in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit.

Annual Report: The Annual Report containing, inter-alia, Audited Standalone 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](http://www.shemarooent.com).

NSE Electronic Application Processing System (NEAPS): NEAPS is a web-based application designed by NSE for listed entities. All periodical compliance filings like shareholding pattern, corporate governance report, media releases statement of investor complaints among others, are filed electronically on NEAPS

BSE Corporate Compliance & Listing Centre: BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a Centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports(ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

7. GENERAL SHAREHOLDER INFORMATION

a. Company Registration details:

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

b. Company's Registered Office Address:

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

c. Annual General Meeting:

Day & Date : Tuesday, September 29, 2020
 Time : 04:00 PM
 Venue : AGM will be held through video conferencing (VC) or other audio-visual means (OAVM).*
 Book Closure Date : Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive)
 Cut- off date : Tuesday, September 22, 2020

* In terms of the MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, the 15th AGM of the members shall be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM notice and available at the website of the Company at www.shemarooent.com.

d. Financial Calendar (Tentative):

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

First Quarter Results : July/August, 2020
 Half Yearly Results : October/November, 2020
 Third Quarter Results : January/February, 2021
 Fourth Quarter and Annual Results : May/June, 2021
 Annual General Meeting : August/September, 2021

e. 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 2020-21 have been paid to the above Stock Exchanges.

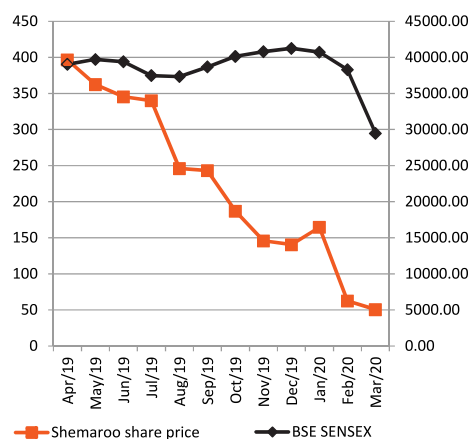
f. Payment of Depository Fees: Annual Custody / Issuer fee for the year 2020-21 has been paid by the Company to NSDL and CDSL.**g. ISIN Number:** INE363M01019**h. Market Price Data:**

The high / low market price of the shares during the financial year 2019-2020 at the BSE Limited and at National Stock Exchange of India Ltd. were as under :-

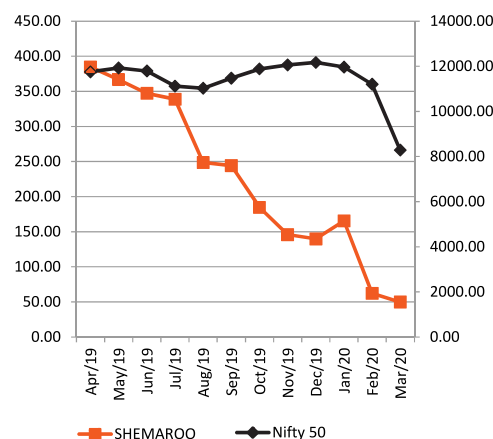
Month	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr-19	415.00	383.00	7,088	419.00	383.00	1,02,385
May-19	420.30	334.10	7,481	402.50	346.55	1,51,509
Jun-19	388.70	331.00	9,569	381.95	336.00	1,08,885
Jul-19	399.00	289.60	12,519	357.95	289.00	7,32,843
Aug-19	340.00	242.00	1,37,562	339.40	244.20	1,27,864
Sep-19	273.40	233.00	1,26,367	266.90	233.10	1,20,073
Oct-19	261.50	170.60	25,385	263.85	175.10	3,54,838
Nov-19	185.00	136.35	17,231	185.20	136.70	2,76,496
Dec-19	160.30	131.00	12,120	161.50	132.60	2,22,352
Jan-20	189.80	141.70	48,735	186.00	138.05	4,64,141
Feb-20	159.00	59.25	86,423	168.85	59.20	9,43,087
Mar-20	62.40	41.80	28,793	64.40	40.25	4,77,298

i. Performance in comparison to broad based indices:

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



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



j. Distribution of Shareholding:

The Shareholding distribution of the equity shares as on March 31, 2020 is given below:-

No. of Shares	No. of Shareholders*	No. of Shares	% to Total Shares
1 - 5000	7183	14,37,587	5.30
5001 - 10000	41	2,92,790	1.07
10001 and above	60	2,54,51,862	93.63
Total	7284	2,71,82,239	100.00

*Total no of Folio of the Company as on March 31, 2020.

k. Shareholding Pattern:

The Shareholding of different categories of the shareholders as on March 31, 2020 is given below:-

Category	No. of shares	% of Holdings
Promoters	1,60,84,080	59.17
Foreign Promoter	18,22,840	6.70
Foreign Portfolio Investor (Corporate)& FII	53,93,478	19.84
Non -Resident Indians	471,615	1.74
Other Bodies Corporate	8,41,252	3.09
Clearing Member	21,850	0.08
Hindu Undivided Family	62,065	0.23
Office Bearers	9,502	0.04
Directors	50,636	0.19
Public	24,24,921	8.92
TOTAL	2,71,82,239	100.00

l. Share Transfer System:

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

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

Accordingly, Stakeholders' Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on weekly basis. A summary of all the transfer/transmissions etc., if any, so approved by officers of the Company is placed at every Committee meeting. All share transfers are completed within statutory time limit from

the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, and files a copy of the same with the Stock Exchanges.

m. Dematerialization of shares:

As on March 31, 2020, 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.

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

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

o. 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.

p. 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.

q. Plant Locations:

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

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

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

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.

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

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

8. OTHER DISCLOSURES

i. Related Party Transactions:

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

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

ii. Whistle Blower Policy/Vigil Mechanism:

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

iii. Reconciliation of Share Capital Audit:

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

iv. Compliance with mandatory requirements:

The Company has complied with all applicable mandatory requirements of the SEBI Listing Regulations as on March 31, 2020. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the Compliance Officer is submitted with the Stock Exchanges where the shares of the Company are listed.

v. Details of non-compliance by the Company:

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

vi. Adoption of Discretionary Requirements:

a. Chairman

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

b. Shareholder Rights

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

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

c. Modified opinion(s) in audit report

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

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

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

e. Reporting of Internal Auditor

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

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

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

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

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

Pursuant to Regulation 39(4) of SEBI Listing Regulations read with Schedule VI thereof, the Company reports that there are no outstanding unclaimed shares for the period April 01, 2019 to March 31, 2020.

ix. Code of Conduct for Prevention of Insider Trading :

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

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

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

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

The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2020.

xi. Certificate for Non-Disqualification of Directors :

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

xii. Review of Prevention of Sexual Harassment :

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2019-20 are as under:

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

xiii. Recommendation by the Committee of the Board :

During the financial year 2019-20, the Board has accepted all the recommendations of its Committees.

xiv. Statutory Audit Fees :

Total fees paid by the Company and its subsidiaries to the statutory auditors of the Company and all other entities forming part of the same network, aggregate of Rs. 20.97 Lakhs.

xv. CEO/CFO Certification :

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

xvi. Compliance Certificate of the Auditors :

Certificate from the Auditors, M/s Manish Ghia & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations, 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, 2020.

sd/-	sd/-
Raman Maroo	Hiren Gada
Managing Director	CEO & CFO
DIN: 00169152	DIN: 01108194

Mumbai
July 29, 2020

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

To,
The Board of Directors
Shemaroo Entertainment Limited

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 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.
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

Mumbai
July 29, 2020

sd/-	sd/-
Raman Maroo	Hiren Gada
Managing Director	CEO & CFO
DIN: 00169152	DIN: 01108194

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Shemaroo Entertainment Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Shemaroo Entertainment Limited**, for the year ended on 31st March 2020 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

M. No. FCS 6252 C.P. No. 3531
UDIN: F006252B000519677

Place : Mumbai
Date: July 29, 2020

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020
[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, 2020 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 2020 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, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(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, Food Safety and Standards Act, 2006 and the rules & regulations made thereunder, being laws that are specifically applicable to the Company based on their sector/industry.

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

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

We further report that

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

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

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

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

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

1. Incorporated on June 12, 2019 a wholly owned subsidiary viz., Shemaroo Entertainment LLC at U.A.E.;

2. dissolved its wholly owned subsidiary in U.S.A. viz., Shemaroo Entertainment INC., w.e.f. February 11, 2020; and
3. dissolved its wholly owned subsidiary in U.K. viz., Shemaroo Entertainment (UK) Private Limited w.e.f. February 11, 2020.

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

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: July 29, 2020

M. No. FCS 6252 C.P. No. 3531
UDIN: F006252B000519677

‘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.
7. On account severe restrictions imposed by the Government Authorities on opening of offices, travel and movement (hereinafter “Lockdown”) due to Covid19 pandemic (which commenced during the last week of March’2020 and continued in June’2020), we for the purpose of completion of our audit had to rely on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: July 29, 2020

M. No. FCS 6252 C.P. No. 3531
UDIN: F006252B000519677

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of Shemaroo Entertainment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone Ind AS financial statements.

Key Audit Matters

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

Key Audit Matters

Valuation and Amortisation of Inventory:-

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

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

Auditor's Response

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

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

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

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

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

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S. Poosaidurai
Partner

Chartered Accountants
Membership No. 223754

Date: July 29, 2020
Place: Chennai

UDIN:20223754AAAAHB7549

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

Name of the statute	Nature of Dues	Amount (₹ in lakhs)	Period to Which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	45.69	F.Y. 2010-11	ITAT
Customs Act	Customs Duty	160.64	F.Y. 2009-10	Remanded back to Commissioner
Maha VAT	VAT	56.11 0.05 153.14 32.66	F.Y.2007-08, F.Y.2008-09, F.Y. 2010-11, F.Y. 2016-17	Appeal Appeal Tribunal Appeal
Central Sales Tax	CST	15.55 7.63 15.38	F.Y.2007-08, F.Y.2008-09, F.Y. 2010-11	Appeal Appeal Tribunal

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

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

S. Poosaidurai
Partner

Chartered Accountants
Membership No. 223754

UDIN:20223754AAAAHB7549

Date: July 29, 2020
Place: Chennai

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, 2020 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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

UDIN:20223754AAAHHB7549

Date: July 29, 2020

Place: Chennai

Balance Sheet

As At 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	3,071.91	3,050.07
(b) Intangible assets	3 (b)	94.90	92.74
(c) Intangible assets under development	3 (c)	21.98	1.75
(d) Right of use Assets	4	214.38	-
(e) Financial assets			
(i) Non-Current Investments	5 (a)	1,395.66	2,513.54
(ii) Loans and Advances	5 (b)	70.74	76.42
(iii) Other Financial assets	5 (c)	32.66	31.11
(f) Other non-current assets	6	153.99	112.26
Total Non-Current Assets		5,056.21	5,877.89
II Current assets			
(a) Inventories	7	71,099.53	60,071.29
(b) Financial assets			
(i) Trade receivables	8 (a)	8,095.99	15,659.63
(ii) Cash and Cash Equivalents	8 (b)	38.27	82.75
(iii) Other Bank Balances	8 (c)	34.83	29.20
(iv) Loans and Advances	8 (d)	311.15	174.24
(c) Current Tax Assets (Net)		1,121.99	-
(d) Other current assets	9	2,784.12	2,370.01
Total Current Assets		83,485.87	78,387.13
Total Assets		88,542.08	84,265.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	2,718.22	2,718.22
(b) Other Equity	11	57,246.81	55,304.29
Total Equity		59,965.03	58,022.51
Liabilities			
I Non-current liabilities			
(a) Financial Liabilities			
(i) Non-Current borrowings	12	2,386.09	37.73
(ii) Lease Liability		139.59	-
(b) Provisions	13	161.95	317.28
(c) Deferred tax Liabilities (Net)	14	207.00	341.45
Total Non-Current Liabilities		2,894.64	696.47
II Current liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	15 (a)	19,677.57	19,687.98
(ii) Trade payables	15 (b)		
- Due to Micro and Small Enterprises		79.22	174.68
- Due to Others		4,486.88	2,811.09
(iii) Other Financial Liabilities	15 (c)	1,001.12	510.82
(iv) Lease Liability		96.25	-
(b) Other Current Liabilities	16	238.49	765.83
(c) Provisions	17	102.90	80.83
(d) Current Tax Liabilities (net)		-	1,514.80
Total Current Liabilities		25,682.41	25,546.03
Total Liabilities		28,577.05	26,242.50
Total Equity and Liabilities		88,542.08	84,265.02

See accompanying notes forming part of the financial statements

1-30

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Hiren Gada
CEO & CFO
DIN 01108194

Place : Mumbai
29th July, 2020

Statement of Profit and Loss

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Notes	Year ended 31 st March, 2020	Year ended 31 st March, 2019
I. Income			
Revenue from operations	18	47,967.24	54,804.87
Other income	19	175.23	169.71
Total Income		48,142.47	54,974.58
II. Expenses			
Operational Cost	20	30,686.69	29,690.53
Employee benefits expense	21	6,527.78	5,415.44
Finance costs	22	2,341.44	2,564.49
Depreciation and amortization expense	3 & 4	746.24	553.13
Other expenses	23	3,241.92	3,566.03
Total Expenses		43,544.06	41,789.62
III. Profit/(Loss) before exceptional items and tax		4,598.40	13,184.96
IV. Exceptional Items	30.10	1,092.35	-
V. Profit before Tax for the period (III-IV)		3,506.06	13,184.96
VI. Tax expense			
Current tax pertaining to current year		1,193.17	4,757.90
Short/(Excess) provision of the earlier years		66.04	(146.95)
Deferred tax Liability/ (Asset)	14	(132.34)	(37.47)
Total Tax expense		1,126.87	4,573.49
VII. Profit for the year (A) (V-VI)		2,379.19	8,611.47
VIII. Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurements of defined benefit plans		147.41	59.02
Tax relating to items that will not be reclassified to Profit and Loss		(37.10)	(20.62)
Total Other Comprehensive Income for the year (B)		110.31	38.40
IX. Total comprehensive income for the year (A + B)		2,489.50	8,649.87
X. Earnings per equity share [face value of share ₹ 10]	24		
(a) Basic (₹)		8.75	31.68
(b) Diluted (₹)		8.75	31.68

See accompanying notes forming part of the financial statements

1-30

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

For and on behalf of the Board of Directors
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Dipesh Gosar
Company Secretary
Membership
No.: A23755

Hiren Gada
CEO & CFO
DIN 01108194

Place : Mumbai
29th July, 2020

Standalone Cash Flow Statement

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,598.40	13,184.96
Adjustments for :		
Other Comprehensive Income	147.41	59.02
Depreciation & Amortisation	746.24	553.13
Dividend Income	(0.50)	(0.50)
Financial Cost	2,341.44	2,549.78
Interest Income	(86.74)	(119.83)
Unrealised foreign exchange Gain/(Loss)	(30.19)	5.97
Profit on sale of Assets	(0.27)	-
Loss on disposal of Investments in Subsidiaries	31.78	-
Provision for Compensated leave absences	32.97	12.67
Provision for Gratuity	(125.46)	69.16
Bad Debts written off	-	13.89
Operating profit before working capital changes	7,655.07	16,328.24
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	7,082.58	(2,836.11)
Decrease/(Increase) in Inventories	(11,028.23)	(8,612.86)
Increase/(Decrease) in Trade or Other Payable	1,097.20	1,712.08
Cash generated from/(used in) operations	4,806.62	6,591.35
Direct Taxes paid (net)	3,933.05	4,348.66
Net cash from/(used in) operating activities	873.57	2,242.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	0.68	26.30
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(698.85)	(420.96)
Investment in/Withdrawal from Subsidiaries	25.54	1,031.47
Loan to Subsidiaries	(184.63)	(87.53)
Dividend Income	0.50	0.50
Interest Income	86.74	119.83
Net cash from/(used in) investing activities	(770.02)	669.61
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(448.51)	(421.32)
Tax on Dividend Paid	(92.19)	(86.60)
Payment of lease liability	(106.46)	-
Increase/(Decrease) in Non-Current Borrowings	2,823.52	(986.44)
Increase/(Decrease) in Current Borrowings	(10.41)	1,106.35
Financial Cost	(2,313.99)	(2,549.78)
Net cash from/(used in) financing activities	(148.04)	(2,937.80)
Net increase/(decrease) in cash and cash equivalents	(44.49)	(25.50)
Cash and cash equivalents as at the beginning of the year	82.75	108.25
Cash and cash equivalents as at the end of the year	38.27	82.75

Note :

Cash & Cash equivalents consists of cash and bank balances and other bank balances as under :

S. No	Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
i)	Balances with banks		
	- Current accounts in Indian rupees	32.07	69.62
ii)	Cash on Hand	6.20	13.13
	Total	38.27	82.75

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

For and on behalf of the Board of Directors
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Place : Mumbai
29th July, 2020

Statement of Changes in Equity

for the year ended 31st March 2020

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note	Balance as at 1 st April 2019	Changes in equity share capital during the year		Balance as at 31 st March 2020	Balance as at 31 st March 2019
			2018-19	2019-20		
Equity Share Capital	10	2,718.22	-	-	2,718.22	2,718.22

B. Other Equity

(₹ in Lakhs)

Particulars	Note	Reserves & Surplus			Other Comprehensive Income	Total
		Securities premium account	General reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1 st April 2019		14,340.81	2,112.81	38,792.21	58.46	55,304.29
Impact on account of adoption of Ind AS 116 (refer note 29)				(6.28)	-	(6.28)
Total Comprehensive Income for the year	11	-	-	2,379.19	110.31	2,489.50
Dividends (including Dividend Distribution Tax)		-	-	(540.70)	-	(540.70)
Balance as at 31 st March 2020		14,340.81	2,112.81	40,624.42	168.77	57,246.81

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Hiren Gada
CEO & CFO
DIN 01108194

Place : Mumbai
29th July, 2020

Notes to Financial Statements

for the year ended 31st March 2020

1 Corporate information

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

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

2 Significant accounting policies

2.1 Statement of Compliance

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

2.2 Basis of accounting and preparation of financial statements

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

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

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

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

2.3 Use of estimates

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

2.4 Summary of Significant Accounting Policies

(a) Property, Plant & Equipment

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

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

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

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

(b) Intangible asset

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

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

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

(c) Depreciation and amortisation

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

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

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

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

Computer Software	5 years
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(d) Borrowing Costs

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

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

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

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

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

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

(f) Investments

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

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

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

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

(g) Inventories

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

The copyrights are valued at a percentage of cost based on the nature of rights, as estimated by the Management. 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.

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

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

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

(h) Cash and cash equivalents

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

(i) Cash Flow Statement

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

(j) Financial Assets**A. Initial recognition and measurement:**

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

B. Subsequent measurement:**a) Financial assets carried at amortised cost**

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

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

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

C. Investment in subsidiaries, associates and joint ventures:

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

D. Impairment of Financial assets:

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

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

(k) Financial Liabilities**A. Initial recognition and measurements:**

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

B. Subsequent measurement:

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

(l) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for

recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(m) Employee Benefits**Short Term Employee Benefits**

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

Long Term Employee Benefits

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

Post-employment Benefits**Defined Contribution Plans**

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

Gratuity

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

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

(n) Tax Expenses

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

Current Tax

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

are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax

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

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

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

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

(o) Foreign currencies transactions and translation

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

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

(p) Revenue recognition

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

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

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

Sale of goods

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

Income from Services

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

(q) Other income

i) Interest Income

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

ii) Dividend Income

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

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

(r) 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.

(s) Earnings per share

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

(t) Provisions & Contingencies

Provisions are recognised when the Company has a present obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

Non-Current Assets

3 (a) Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Total
Cost or Deemed Cost					
At 1 st April 2019	5,347.62	278.88	530.03	984.13	7,140.66
Additions	581.64	-	54.33	-	635.97
Disposals	(17.62)	(3.87)	-	-	(21.49)
At 31st March 2020	5,911.64	275.01	584.36	984.13	7,755.14
Accumulated Depreciation					
At 1 st April 2019	3,307.15	114.93	430.43	238.08	4,090.59
Charge for the year	550.98	29.40	17.25	16.02	613.66
Disposals	(17.30)	(3.72)	-	-	(21.02)
At 31st March 2020	3,840.83	140.61	447.68	254.11	4,683.22
Net Block					
At 1 st April 2019	2,040.47	163.95	99.60	746.05	3,050.07
At 31 st March 2020	2,070.81	134.40	136.68	730.02	3,071.91

Note: 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.

3(b) Other Intangible assets

	Software	Total
Cost or Deemed Cost		
At 1 st April 2019	396.06	396.06
Purchase	42.64	42.64
Disposals	-	-
At 31st March 2020	438.71	438.71
Accumulated amortisation		
At 1 st April 2019	303.32	303.32
Charge for the year	40.49	40.49
Disposals	-	-
At 31st March 2020	343.81	343.81
Net Block		
At 1 st April 2019	92.74	92.74
At 31 st March 2020	94.90	94.90

3(c) Intangible assets under development

	Software	Total
At 1 st April 2019	1.75	1.75
Additions	20.23	20.23
Capitalised during the year	-	-
At 31st March 2020	21.98	21.98

4 Right of use Assets

	Office Building	Total
Cost or Deemed Cost		
At 1 st April 2019	-	-
Additions	306.46	306.46
Deductions	-	-
At 31st March 2020	306.46	306.46
Accumulated amortisation		
At 1 st April 2019	-	-
Charge for the year	92.09	92.09
Disposals	-	-
At 31st March 2020	92.09	92.09
Net Block		
At 1 st April 2019	-	-
At 31 st March 2020	214.38	214.38

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
NON-CURRENT ASSETS		
5 Financial Assets		
(a) Non- Current Investments		
Investments measured at Cost		
In Subsidiaries, Unquoted		
(i) NIL (31 st March 2019: 200) Equity shares at no par value of Shemaroo Entertainment INC, USA, a wholly owned subsidiary	-	4.08
(ii) NIL (31 st March 2019: 3,600) Equity shares of GBP 10/- each fully paid up of Shemaroo Entertainment (UK) Private Limited, a wholly owned subsidiary	-	26.88
(iii) 1,000,000 (31 st March 2019: 1,000,000) Equity shares of ₹ 10/- each fully paid up of Canopy Entertainment Private Limited	100.00	100.00
(iv) 1,000 (31 st March 2019: 1,000) units of Shemaroo Media & Entertainment LLC, USA, a wholly owned subsidiary	33.57	33.57
(v) Capital Account in Shemaroo Think Tank Entertainment LLP		
- in fixed capital account	1.00	1.00
- in current capital account	170.91	343.11
(vi) Capital Account in Contentino Media LLP		
- in fixed capital account	0.65	0.65
- in current capital account	805.51	937.87
(vii) 150,000 (31 st March 2019: Nil) Equity shares of AED 10/- each fully paid up of Shemaroo Entertainment Limited LLC, a wholly owned subsidiary	29.18	-
In Equity shares of Associate Company, Unquoted		
(viii) 45,000 (31 st March 2019: 45,000) Equity shares of ₹10/- each fully paid up of Vistaas Digital Media Private Limited	-	1,061.39
In Equity shares, Unquoted, fully paid up		
(ix) 50,000 (31 st March 2019: 50,000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00
(x) 1,388 (31 st March 2019: Nil) Equity shares of ₹ 10/- each fully paid up of Dominiche Productions Private Limited	249.84	-
Total	1,395.66	2,513.54
OTHER DISCLOSURES		
Aggregate amount of unquoted Investment	1,395.66	2,513.54
	1,395.66	2,513.54
(a.i) Category-wise Non-Current Investments		
Financial Assets measured at amortised cost	1,395.66	2,513.54
Total	1,395.66	2,513.54

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

Sr. No.	Partner's Name	As at 31 st March 2020	As at 31 st March 2019
	Shemaroo Think Tank Entertainment LLP		
i.	Shemaroo Entertainment Limited	99.99%	99.99%
ii.	Raman Hirji Maroo	0.01%	0.01%
	Total share	100.00%	100.00%
	Contentino Media LLP		
i.	Shemaroo Entertainment Limited	65.00%	65.00%
ii.	Murtuza Fakhruddin Kagalwala	17.50%	17.50%
iii.	Rajesh Kumar Das	17.50%	17.50%
	Total share	100.00%	100.00%

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(b) Loans & Advances		
Unsecured, considered good		
Loans to employees	7.84	12.35
Security Deposit	62.90	64.07
Total	70.74	76.42
(c) Other Financial Assets		
Bank Deposits with more than 12 months maturity (refer note below)	32.66	31.11
Total	32.66	31.11
Note:		
Deposits includes balances with banks held as margin money deposits against guarantees	20.20	18.96
6 Other Non- Current Assets		
Balance with Customs and Central Excise Authorities	106.91	106.91
Prepaid lease payments	7.42	5.35
Gratuity plan asset (net of provisions)	39.66	-
Total	153.99	112.26
CURRENT ASSETS		
7 Inventories		
Work-in-Progress		
Media content under Production	358.21	594.97
Stock-in-Trade		
Physical Media	393.87	145.94
Copyrights	70,347.45	59,330.38
Total	71,099.53	60,071.29
Note: The entire book value (carrying amount) of inventories is pledged as security for Cash Credit Facilities taken from banks		
8 Financial Assets		
(a) Trade receivables		
Unsecured Trade receivables		
- considered good	8,143.14	15,701.92
Less: Expected Credit loss allowance	(47.15)	(42.29)
Total	8,095.99	15,659.63
For transactions relating to related party receivables, refer note 26 (a)		
Note: Movement in expected credit loss allowance		
Opening Balance	42.29	38.45
Movement in expected credit loss allowance during the year	4.85	3.85
Closing Balance	47.15	42.29

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(b) Cash and Cash Equivalents		
i) Balances with banks		
- Current accounts in Indian rupees	32.07	69.62
ii) Cash on Hand	6.20	13.13
Total	38.27	82.75
(c) Other Bank Balances		
i) Deposits with original maturity of more than 3 months and remaining maturity less than 12 months	5.08	11.59
ii) Earmarked balances with Banks for :		
- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	26.00	13.81
- Balances with bank for unpaid dividend	0.52	0.42
- Balances with bank for Refund of Share Application Money	3.24	3.37
Total	34.83	29.20
(d) Loans & Advances		
Unsecured, considered good		
Loans to subsidiaries (Refer Note 26 (a))	267.94	115.08
Loan to employees	43.21	59.16
Total	311.15	174.24
9 Other Current Assets		
Advances paid for Supply of Goods and Rendering of Services	1,257.78	1,991.23
Other Taxes Receivable	851.91	178.05
Prepaid Expense	597.04	85.40
Trade Deposits	48.60	75.70
Others	28.78	39.64
Total	2,784.12	2,370.01
10 Equity Share capital		
Authorized shares capital		
3,00,00,000 equity shares of ₹10/- each (Previous Year 3,00,00,000)	3,000.00	3,000.00
Issued, subscribed and paid-up capital		
2,71,82,239 (Previous year 2,71,82,239) equity shares of ₹10/- each fully paid up	2,718.22	2,718.22
Total	2,718.22	2,718.22

OTHER DISCLOSURES

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

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

	As at 31 st March 2020		As at 31 st March 2019	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22
Outstanding at the end of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22

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

	As at 31 st March 2020		As at 31 st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Hirji Maroo	48,09,520	17.69%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%
Mr. Buddhichand Hirji Maroo	35,75,320	13.15%	35,75,320	13.15%
New Horizon Opportunities Master Fund	26,14,000	9.62%	26,14,000	9.62%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%
Total	1,76,31,200	64.86%	1,76,31,200	64.86%

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
11 Other Equity		
(a) Reserves & Surplus		
I Securities premium account		
Opening balance	14,340.81	14,340.81
Closing Balance (A)	14,340.81	14,340.81
II General reserve		
Opening balance	2,112.81	2,112.81
Closing Balance (B)	2,112.81	2,112.81
III Retained Earnings		
Opening balance	38,792.21	30,688.67
Impact on account of adoption of Ind AS 116, net of tax (refer note 29)	(6.28)	-
Profit for the year	2,379.19	8,611.47
Payment of Dividend on Equity Shares	(448.51)	(421.32)
Tax on Proposed Dividend	(92.19)	(86.60)
	40,624.42	38,792.21
(b) Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Remeasurements of defined benefit plans		
Opening Balance	58.46	20.06
Remeasurements during the year	147.41	59.02
Deferred tax on remeasurements during the year	(37.10)	(20.62)
	168.77	58.46
Total Retained Earnings (C)	40,793.19	38,850.67
Total (A + B + C)	57,246.81	55,304.29

Non-Current Liabilities
Financial Liabilities

12 Non-Current Borrowings

(₹ in Lakhs)						
Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 st March 2020	As at 31 st March 2019	
(a) Secured Bank Loan - at amortised cost						
(i) Term Loan, secured by hypothecation of Machinery/Equipment	9.85% (Linked to One Year MCLR)	31-Mar-22	Repayment monthly in eleven equal installments of 40 Lakhs & One installment of 39 Lakhs	477.35	-	
(ii) Bill Discounting from Bank is secured by exclusive charge on specified receivables	6 months MCLR + 1.45%	10-Sep-19	Repayable 100% on 10th Sep'19	-	200.23	
(iii) Bill Discounting from Bank is secured by exclusive charge on specified receivables (Refer Note 26 (a) for Personal Guarantee)	1.20% + 6 months MCLR	10-Sep-19	Repayable in two equal installments - 30th Sep'18 & 30th Sep'19	-	265.20	
(iv) Term Loan, secured by hypothecation of motor vehicles	8.61%	15-Sep-21	Repayment monthly in 37 equal installments of INR 1,01,690/- as per repayment schedule of the Bank	17.08	27.28	
(v) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 17,537/- as per repayment schedule of the Bank	3.39	5.09	
(vi) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44,683/- as per repayment schedule of the Bank	8.63	12.98	
(vii) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44,683/- as per repayment schedule of the Bank	8.63	12.98	
(b) Unsecured Bank Loan - at amortised cost						
(i) Unsecured Term Loan	9.40%	05-Dec-24	Repayment monthly in 60 equal installments of INR 62,08,382/- as per repayment schedule of the Bank	2,832.19	-	
Total Non-Current Borrowings						
Less: Current Maturities of Secured long-term debt (included in Note 15 (c))				3,347.27	523.75	
Less: Current Maturities of Unsecured long-term debt (included in Note 15 (c))				462.53	486.02	
				498.65	-	
Non-Current Borrowings				2,386.09	37.73	

Note: Assets pledged as Security:

(₹ in lakhs)

Particulars	Note No	As at 31 st March 2020	As at 31 st March 2019
Non Financial Assets			
Office Building	3 (a)	730.02	746.05
Plant and Machinery	3 (a)	369.48	-
Motor Vehicles	3 (a)	67.86	77.53
Intangibles-Software	3 (b)	13.91	-
Inventories	7	71,099.53	60,071.29
Financial Assets			
Trade Receivables	8 (a)	8,095.99	15,659.63
Total		80,376.80	76,554.50
13 Provisions			
Provision for employee benefits:			
- Gratuity		-	181.71
- Compensated leave absences		161.95	135.57
Total		161.95	317.28
14 Deferred Tax Liabilities			
Balances comprises temporary differences attributable to:			
Property, Plant & Equipment & Intangible Assets		255.54	381.64
Provision for Gratuity and Leave Encashment		(51.23)	(38.32)
Lease Liability		(5.40)	-
Other Financial Liability at amortised cost		8.09	(1.86)
Net Deferred Tax Liability		207.00	341.45

Note: Movements in Deferred Tax Liabilities/(Assets)

Particulars	Property, Plant and Equipment & Intangible Assets	Financial Liability at amortised cost	Provision for Gratuity and Leave Encashment	Net Balance
Opening Balance as on 31 st March'2019	381.64	(1.86)	(38.32)	341.45
On first time adoption of Ind AS 116	-	(2.11)	-	(2.11)
Charge or (Credit) to the Statement of Profit and Loss	(126.10)	6.66	(12.91)	(132.34)
Closing Balance as on 31st March 2020	255.54	2.68	(51.23)	207.00

Current Liabilities			
15 Financial Liabilities			
(a) Current Borrowings			
Loan Repayable on Demand Secured Loan from Bank {Secured by hypothecation of stock, book debts and collaterally secured by mortgage of property owned by the company and personal guarantee of some of the directors of the company}		12,458.77	12,308.80
Unsecured Bank Overdraft		1,767.94	4,270.75
Unsecured Bank Short Term Loan		2,658.17	-
Loans & Advances (Unsecured)			
- Intercompany Deposits from others		150.00	205.00
- Directors		2,642.69	2,903.43
Total		19,677.57	19,687.98

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(b) Trade payable		
(a) Due to Micro and Small Enterprises (Refer Note No. 30.7)	79.22	174.68
(b) Due to Others	4,486.88	2,811.09
Total	4,566.10	2,985.77
For transactions relating to related party payables, refer note 26 (a)		
(c) Other Financial Liabilities		
Current Maturities of Secured long-term debt	462.53	486.02
Current Maturities of Unsecured long-term debt	498.65	-
Security Deposit Received	18.20	21.00
Interest accrued but not due on borrowings	17.98	-
Others	3.24	3.37
Unclaimed Dividend Payable	0.52	0.42
Total	1,001.12	510.82
16 Other Current Liabilities		
Advances received from Customers	5.05	21.59
Prepayments Received	2.80	-
Statutory Dues Payable	217.40	629.90
Others	13.24	114.34
Total	238.49	765.83
17 Provisions		
Provision for Employee Benefits		
- Gratuity	63.29	46.71
- Compensated leave absences	17.96	11.36
- ESIC	0.39	1.11
- Provident Fund	21.25	21.64
- Maharashtra Labour Welfare Fund	0.00	0.01
Total	102.90	80.83
Note: Income Tax expenses for the year can be reconciled to accounting profit as follows:		
Profit before tax	4,598.40	13,184.96
Tax effect of:		
Depreciation as per Income Tax Rules	(577.13)	(473.65)
Deductions	(139.71)	(141.82)
Exempted Dividend Income	(0.50)	(0.50)
Expenses disallowed	859.76	1,046.81
	4,740.82	13,615.79
Applicable Tax Rate	25%	35%
Current tax expenditure for the year	1,193.17	4,757.90
Tax Deduction at Source	(2,155.08)	(3,243.11)
	(961.91)	1,514.79
18 Revenue from Operations		
Sale of Rights	46,042.25	53,681.16
Sale of Products	713.22	223.21
Income from Services	754.80	857.79
Other Operating Revenue	456.95	42.70
Total	47,967.24	54,804.87

The Government of India has reduced the corporate tax rates from 30% to 22% through the Taxation Laws (Amendment) Act, 2019 which is effective from 1st April 2019. As per the same if assessee opts new corporate tax rate, Minimum Alternative Tax provisions (MAT) provisions are not applicable. Shemaroo Entertainment Limited has opted for new corporate tax rate from the financial year 2019-20 and the tax liability above has been calculated accordingly.

(₹ in lakhs)

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
19 Other Income		
Interest	86.74	119.83
Dividend from Non-Trade Investment	0.50	0.50
Other	87.99	49.38
Total	175.23	169.71
20 Operational Cost		
Inventories at the beginning of the year	60,071.29	51,458.43
Purchases	38,326.18	34,540.70
Works Cost	3,388.75	3,762.69
Less: Inventories at the end of the year	(71,099.53)	(60,071.29)
Total	30,686.69	29,690.53
21 Employee Benefit Expense		
Salaries, Bonus and Allowances	6,138.38	4,912.04
Contribution to Provident & Other funds	234.71	285.10
Staff Welfare Expenses	154.69	218.31
Total	6,527.78	5,415.44
22 Finance costs		
Interest on Borrowings	2,173.94	2,438.29
Bank & Other Finance Charges	109.94	111.49
Interest on Statutory Dues	30.12	14.71
Finance Cost on Lease Assets	27.44	-
Total	2,341.44	2,564.49
23 Other expenses		
Bad Debts written off	-	13.89
Business Development expenses	99.31	152.21
Communication expenses	200.85	117.72
Donations (refer note no. 30.5)	249.98	194.31
Electricity Expenses	174.67	166.04
General Expenses	478.83	451.63
Expected Credit Loss (Ind-AS)	4.85	3.85
Loan written off (Refer Note No. 30.10)	31.78	-
Insurance Expenses	66.34	59.18
Legal, Professional and Consultancy expenses	664.42	742.15
Payment to Auditors (refer note (a) below)	19.58	19.19
Repairs and Maintenance		
- Machinery	33.18	38.76
- Others	215.57	266.41
Rents, Rates and Taxes	94.56	127.71
Security Charges	29.08	33.68
Selling and Marketing Expenses	623.56	860.55
Travelling and Conveyance	255.36	312.99
Loss due to damage of Assets	-	5.77
Total	3,241.92	3,566.03
Note (a): Details of payments made to auditor (excluding taxes):		
As auditor:		
Statutory Audit fee (excluding taxes)	16.25	16.25
In other capacity:		
Other Services	0.93	0.40
Reimbursement of expenses	2.40	2.54
Total	19.58	19.19

(₹ in lakhs)

Particulars	Year ended	
	31 st March 2020	31 st March 2019
24 Earnings per share (EPS)		
Following reflects the net profit after tax and no. of shares data used in the Basic and Diluted EPS computations:		
Total Operations for the year		
Profit after tax	2,379.19	8,611.47
Net Profit for calculation of basic EPS	2,379.19	8,611.47
Net Profit as above	2,379.19	8,611.47
Net Profit for diluted EPS	2,379.19	8,611.47
Weighted average number of equity shares in calculating diluted EPS	271.82	271.82
(a) Basic (₹)	8.75	31.68
(b) Diluted (₹)	8.75	31.68

25 Employee Benefits

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

a) Defined Contribution Plans

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

b) Defined Benefit Plan

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	2018-19
Defined Benefit obligation at beginning of the year	526.53	389.59
Current Service Cost	55.06	79.37
Interest Cost	39.04	29.73
Past Service Cost	-	-
Actuarial (Gain)/Loss	(156.44)	49.65
Benefits paid	(41.78)	(21.81)
Defined Benefit obligation at year end	422.40	526.53

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

Particulars	Gratuity (funded)	
	2019-20	2018-19
Net (Asset)/Liability at the beginning of year	526.53	389.59
Expenses Recognized in Statement of Profit and Loss	94.09	109.10
Expenses Recognized in OCI	(156.44)	49.65
Benefit paid	(41.78)	(21.81)
Net (Asset)/Liability at the end of year	422.40	526.53

III) Amount recognised in Balance Sheet

Particulars	Gratuity (funded)	
	2019-20	2018-19
Present value of defined benefit obligation	422.40	526.53
Amount recognised in Balance Sheet	422.40	526.53

IV) Expenses recognised during the year

(₹ in lakhs)

Particulars	Gratuity (funded)	
	2019-20	2018-19
Current Service Cost	55.06	79.37
Net Interest Cost	39.04	29.73
Past Service Cost	-	-
Actuarial (Gain)/Loss	-	-
Other Transfer	-	-
Net Cost	94.09	109.10

V) Expenses recognised in Other Comprehensive Income

Particulars	Gratuity (funded)	
	2019-20	2018-19
Actuarial (Gains)/Losses on Obligation For the Year	(156.44)	49.65
Return on Plan Assets, Excluding Interest Income	(3.16)	(1.73)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(159.60)	47.92

VI) Actuarial assumptions

Mortality Table	IAL (2012-14)	IAL (2006-08)
Discount rate (per annum)	6.82%	7.72%
Expected rate of salary increase (per annum)	4.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%

VII) The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

VIII) Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points:

Sensitivity Analysis	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	422.40	526.53
Delta Effect of +1% Change in Rate of Salary Increase	45.03	60.10
Delta Effect of -1% Change in Rate of Salary Increase	(40.78)	(52.78)
Delta Effect of +1% Change in Rate of Employee Turnover	12.58	1.76
Delta Effect of -1% Change in Rate of Employee Turnover	(14.62)	(2.26)
Delta Effect of +1% Change in Rate of Discounting	(41.63)	(62.72)
Delta Effect of -1% Change in Rate of Discounting	49.86	76.55

Notes:

The current service cost recognised as an expense is included in Note 21 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

c) Other long term benefits:

The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 21 'Employee benefits expense'.

26 Related party disclosures

Related Party relationship	Name of Related Parties
i) Subsidiaries	Shemaroo Entertainment INC, USA (upto 11th February 2020) Shemaroo Entertainment (UK) Private Limited (upto 11th February 2020) Canopy Entertainment Private Limited Contentino Media LLP Shemaroo Think Tank Entertainment LLP Shemaroo Entertainment Ltd LLC (from 12th June 2019) Shemaroo Media & Entertainment LLC, USA
ii) Associate Company	Vistaas Digital Media Private Limited
iii) 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 Mrs. Kranti Gada Mrs. Smita Maroo Ms. Mansi Maroo Mr. Dipesh Gosar
iv) 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) Mr. Denzil Arambhan (Husband of Mrs. Kranti Gada Arambhan)
v) 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.

26 (a) Related Party Transactions

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

(₹ in Lakhs)

Particulars	Subsidiaries As on		Associate Company As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Total As on	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Purchase of Goods & Services	-	-	-	-	-	-	-	-	20.11	18.52	20.11	18.52
Sale of Goods & Services	214.84	76.52	-	-	-	-	-	-	-	-	214.84	76.52
Interest Accrued on Loan	17.21	7.02	-	-	-	-	-	-	-	-	17.21	7.02
Salaries	-	-	-	-	391.23	385.13	36.95	24.69	-	-	428.18	409.81
Directors Sitting Fees	-	-	-	-	1.00	2.00	-	-	-	-	1.00	2.00
Remuneration to Directors	-	-	-	-	179.91	158.69	-	-	-	-	179.91	158.69
Interest Accrued (on Loans)	-	-	-	-	335.59	361.35	-	-	-	-	335.59	361.35
Advances/Loans Given during the year	171.76	83.58	-	-	-	-	-	-	-	-	171.76	83.58
Loans Taken during the year	-	-	-	-	561.05	2,963.80	-	-	-	-	561.05	2,963.80
Investment Done During The Year	29.18	33.57	-	-	-	-	-	-	-	-	29.18	33.57
Dues from Related Parties	386.76	145.69	-	-	-	-	-	-	-	-	386.76	145.69
Dues to Related Parties	70.18	88.00	-	-	2,642.69	2,903.43	-	-	59.80	44.07	2,772.67	3,035.50

Company has taken collective personal guarantee from related parties to the tune of Rs. 13,990 lakh, against its borrowings from the banks. The above loans from related parties are unsecured and payable on demand.

26 (b) Compensation of Key Managerial Personnel

The remuneration of director and other member of Key Managerial Personnel during the year was as follows:

(₹ in Lakhs)

Particulars	Mar-20	Mar-19
i. Short-term benefits	561.04	535.05
ii. Post employment benefits	10.10	8.76
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

27 Financial Instruments

27.1 Fair value measurements

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

(₹ in lakhs)

Particulars	as at 31 st March'20				as at 31 st March'19			
	Level of inputs used in				Level of inputs used in			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
I. Financial Assets								
- At amortised cost								
Investments	1,395.66	-	-	1,395.66	2,513.54	-	-	2,513.54
Trade Receivables	8,095.99	-	-	8,095.99	15,659.63	-	-	15,659.63
Loans & Advances	381.89	-	-	381.89	250.66	-	-	250.66
Cash & Cash Equivalents	38.27	-	-	38.27	82.75	-	-	82.75
Other Bank Balances	34.83	-	-	34.83	29.20	-	-	29.20
Other Financial assets	32.66	-	-	32.66	31.11	-	-	31.11
II. Financial Liabilities								
- At amortised cost								
Borrowings	22,063.66	-	-	22,063.66	19,725.71	-	-	19,725.71
Lease Liability	235.84	-	-	235.84	-	-	-	-
Trade Payables	4,566.10	-	-	4,566.10	2,985.77	-	-	2,985.77
Security Deposit Received	18.20	-	-	18.20	21.00	-	-	21.00
Other Financial Liabilities*	982.92	-	-	982.92	489.82	-	-	489.82

Other financial liabilities includes current maturities of long term borrowings carried at amortised cost.

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

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

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

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

27.2 Foreign exchange exposure

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

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

Particulars	Currency	As at 31 st March 2020	As at 31 st March 2019
Financial Assets			
Trade Receivables	USD (\$)	5.86	5.12
	EURO (€)	0.01	0.01
Loans to subsidiaries	USD (\$)	2.59	1.18
	GBP (£)	-	0.37
	AED (DH)	3.56	-
Other Current Assets			
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.11	0.81
	LKR (Rs)	10.11	-
Financial Liabilities			
Trade Payable	USD (\$)	3.32	1.10
	AED (DH)	0.03	-
	EURO (€)	0.25	-
	LKR (Rs)	-	10.11
	GBP (£)	-	0.03
Other Current Liabilities			
Advances received from Customers	USD (\$)	0.03	0.01

28 Financial Instruments**(i) Financial risk management objective and policies**

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

a) Market risk

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

b) Interest rate risk

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

Interest rate sensitivity

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

(₹ in lakhs)

Particulars	Interest impact (pre tax)			
	Year ended 31 st March'20		Year ended 31 st March'19	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	4.69	(4.69)	3.52	(3.52)
Impact on total equity as at the end of the reporting Year	4.69	(4.69)	3.52	(3.52)

c) Foreign Currency risk

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

d) Credit risk

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

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

Ageing of trade receivables

Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade receivables (Unsecured)		
over six months	735.75	469.94
less than six months	7,407.39	15,231.99
Total	8,143.14	15,701.92

e) Liquidity risk

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

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

(₹ in lakhs)

Particulars	As at 31 st March'20		As at 31 st March'19	
	Due in 1 year	Due in 2 - 3 years	Due in 1 year	Due in 2 - 3 years
Financial Liabilities				
Trade Payable and other financial liabilities	25,244.78	-	23,184.56	-
Borrowings	-	2,386.09	-	37.73
Lease Liability	96.25	139.59		
Total	25,341.03	2,525.69	23,184.56	37.73

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

(ii) Capital Management

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

Gearing ratio

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

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Debt		
Long Term Borrowings (Including Current Maturity of Long Term Debts)	3,347.27	523.75
Short Term Borrowings	19,677.57	19,687.98
Cash & Bank Balances	(105.76)	(143.06)
Total debt (A)	22,919.09	20,068.66
Equity		
Equity Share Capital	2,718.22	2,718.22
Other Equity	57,246.81	55,304.29
Total equity (B)	59,965.03	58,022.51
Net Debt to Equity Ratio (A/B)	38.22%	34.59%

29 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 and entered into during the year.

The company adopted modified retrospective method for the all lease contracts existing on April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹306.46 lakhs, and a lease liability of ₹ 314.86 lakhs. The cumulative effect of applying the standard, amounting to ₹ 6.28 lakhs was debited to retained earnings, net of tax.

- a) The summary of information showing the effect of "Leases" on the financial position, financial performance and cash flows are given below:

(₹ in Lakhs)

Particulars	
Right of use asset:	
a) Balance as at April 1, 2019	-
b) Additions made during the year	
- Office Buildings	306.46
c) Depreciation charged to Statement of profit and loss	(92.09)
d) Balance as at March 31, 2020	
- Office Buildings	214.38
Lease Liability:	
a) Balance as at April 1, 2019	-
b) Additions made during the year	314.86
c) Interest expenses charged to Statement of profit and loss	27.44
d) Cash outflow for leases	(106.46)
e) Balance as at March 31, 2020	235.84

Note:

- 1) The weighted average incremental borrowing rate applied to lease liability is 11 %
 2) The company has applied single discount rate to a portfolio of leases of similar assets.

- b) The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	As at March 31, 2020
Current lease liability	96.2
Non-current lease liability	139.6
Total	235.8

- c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	96.2	-
One to five years	139.6	-
More than five years	-	-
Total	235.8	-

- d) The Company does not face a significant liquidity risk with regard to its lease liability as the current assets are sufficient to meet the obligations related to lease liability as and when they fall due.
- e) Rental expense charged to the Statement of profit and loss account applying paragraph 6 of Ind AS 116, on account of low-value asset is ₹Nil and short-term leases is ₹ Nil.

30 Additional information to financial statements

30.1 Approval of financial statements

Financial statements were approved for issue by the Board of Directors on 29th July'2020.

30.2 Segment Reporting

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

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

- (a) Loan given by company to body corporate as at 31st March'20. (Refer note 8(d))
 (b) Investment made by the company as at 31st March'20. (Refer note 5(a))
 (c) No Guarantee has been given by the company as at 31st March'20.

30.4 Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	31-Mar-20	31-Mar-19
Disputed Direct Tax Demands	45.69	45.69
Disputed Indirect Tax Demands	441.16	408.50
Legal Cases against the company	20,224.30	122.60
Bill of exchange discounted with Bank	-	675.00
	20,711.15	1,251.79

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

30.5 Corporate Social Responsibility (CSR)

CSR amount required to be spent as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof by the Company during the year is ₹ 223 Lakhs and company has spent ₹ 248 Lakhs.

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

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is ₹ 79.22 Lakh during 2019-20 (Previous year 2018-19 ₹ 174.68) and no payments made to the suppliers beyond the appointed day and no interest has been paid or is payable during the year (previous year: nil) under the terms of the MSMED Act, 2006.

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

30.8 Disclosure under IND-AS - 108

For FY 2019-2020, revenue from top 1 customer accounted for ₹ 9,053 Lakhs. For FY 2018-2019, revenue from top 1 customer accounted for ₹ 11,231 Lakhs.

30.9 An amount of ₹ 3.24/- Lakhs grouped under other financial liabilities in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company which is held and maintained by HDFC Bank Limited, Refund Bankers to the IPO.

30.10 During the year, Company has written off Investment in two Wholly Owned Foreign Subsidiaries (WOS), Shemaroo Entertainment (UK) Private Limited & Shemaroo Entertainment INC. (USA) as they are wound up.

It may be noted that the closure of this WOS will not affect any business of the Company and will not have any significant impact on the financial position and the accounting policies of the company. Company has one more operational WOS in USA through which it intends to continue and expand the business in North America region.

The Associate Company Vistaas Digital Media Private Limited (VDMPL) was into the Devotional content business but the required set up was missing. Therefore, Shemaroo Entertainment Limited has developed the Devotional content business, the investment made in the said Company is written off as there were no other Assets and Liabilities also in VDMPL.

The loss arisen on the writing off of the above Investments is shown under Exceptional Item.

30.11 The lockdown and restrictions imposed on various activities due to COVID-19 pandemic across the world had a bittersweet impact on Shemaroo's business. The subscription-led businesses saw a reasonable uptick in the number of users and consumption, directly translating into revenue. On the other hand, despite an increase in consumption, the Company's advertisement-dependent businesses were heavily impacted because of most of the brands slashed their advertising spends in view of this unprecedented slowdown in the economy and their business activities coming to a standstill. Shemaroo understands that this is a temporary setback and is positive that the economy and the media and entertainment sector will bounce back soon with rejuvenated demand and advertising spends. Subject to the Covid-19 situation improving in the country, the Company anticipates normalcy to start setting in towards the end of Q2 FY 2020-21.

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

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Place : Mumbai
29th July, 2020

Atul Maru
Jt. Managing Director
DIN 00169264

Hiren Gada
CEO & CFO
DIN 01108194

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **Shemaroo Entertainment Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on consolidated Ind AS financial statements.

Key Audit Matters

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

Key Audit Matters

Valuation and Amortisation of Inventory: -

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

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

Auditor's Response

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

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

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

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

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

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows and consolidated changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Group and its associate's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities or business activities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated Ind AS

financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters:

We did not audit the Ind AS financial statements of 2 subsidiaries whose Ind AS financials statements reflect the Group's share of total assets of Rs. 3,069.66 lakhs as at 31st March 2020, the Group's share of total revenue of Rs. 3,536.28 lakhs and net cash flows amounting to Rs. 0.33 lakhs for the year then ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS 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 Ind AS financial statements of 4 subsidiaries whose Ind AS financial statements reflect the Group's share of total assets of Rs. 67.05 lakhs as at 31st March 2020, the Group's share of total Revenue of Rs. 199.39 lakhs and net cash flows amounting to Rs. 10.64 lakhs for the year then ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS 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 Ind AS financial statements. In our opinion and according to the information and explanation given to us by the Management, these Ind AS financial statements are not material to the Group.

The above mentioned four subsidiary companies are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditors

in case of one of the subsidiaries under generally accepted auditing standards applicable in its respective country. The Holding 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 Holding 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 Holding Company and audited by us. Our opinion on the consolidated Ind AS financial statements, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 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, 2020 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 holding company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group and its associates.
 - ii. The Group and its associates did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.

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

S. Poosaidurai
Partner

Chartered Accountants

Membership No. 223754

UDIN:20223754AAAAHB7549

Date: July 29, 2020

Place: Chennai

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") as of March 31, 2020 in conjunction with our audit of consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 holding 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 Holding 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 consolidated Ind AS 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 Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding 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, 2020, based on the internal control over financial reporting criteria established by the Holding 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: July 29, 2020
Place: Chennai

UDIN:20223754AAAAHB7549

Consolidated Balance Sheet

As At 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	3,083.24	3,061.11
(b) Intangible assets	3 (b)	102.02	101.97
(c) Intangible assets under development	3 (c)	21.98	1.75
(d) Right of use Assets	4	214.38	-
(e) Financial assets			
(i) Non-Current Investments	5 (a)	254.84	646.66
(ii) Loans & Advances	5 (b)	70.74	76.42
(iii) Other Financial assets	5 (c)	32.66	30.77
(f) Other non-current assets	6	153.99	112.26
Total Non-Current Assets		3,933.85	4,030.94
II Current assets			
(a) Inventories	7	71,359.38	60,274.27
(b) Financial assets			
(i) Trade receivables	8 (a)	10,481.67	15,902.18
(ii) Cash and Cash equivalents	8 (b)	72.29	104.97
(iii) Other Bank Balances	8 (c)	34.83	29.20
(iv) Loans and Advances	8 (d)	43.21	59.16
(c) Current Tax Assets (Net)		1,121.90	-
(d) Other current assets	9	3,106.47	2,620.93
Total Current Assets		86,219.75	78,990.71
Total Assets		90,153.60	83,021.65
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	2,718.22	2,718.22
(b) Other Equity			
Reserves & surplus	11	56,978.88	54,453.09
Equity attributable to owners		59,697.10	57,171.31
Non-controlling Interest		(409.61)	(415.32)
Total Equity		59,287.50	56,756.00
Liabilities			
I Non-current liabilities			
(a) Financial Liabilities			
(i) Non-Current borrowings	12	2,386.09	37.73
(ii) Lease Liability		139.59	-
(b) Provisions	13	161.95	317.28
(c) Deferred tax Liabilities (Net)	14	207.00	341.45
Total Non-Current Liabilities		2,894.64	696.47
II Current liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	15 (a)	21,505.71	19,688.11
(ii) Trade payables	15 (b)		
- Due to Micro and Small Enterprises		79.22	174.68
- Due to Others		4,830.49	2,803.88
(iii) Other Financial Liabilities	15 (c)	1,033.41	510.82
(iv) Lease Liability		96.25	-
(b) Other Current Liabilities	16	283.48	796.01
(c) Provisions	17	142.90	80.83
(d) Current Tax Liabilities (net)		-	1,514.85
Total Current Liabilities		27,971.47	25,569.18
Total Liabilities		30,866.10	26,265.65
Total Equity and Liabilities		90,153.60	83,021.65

See accompanying notes forming part of the financial statements

1-32

As per our report of even date.

For and on behalf of the Board of Directors
Shemaroo Entertainment LimitedFor M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679SRaman Maroo
Managing Director
DIN 00169152Atul Maru
Jt. Managing Director
DIN 00169264S. Poosaidurai
Partner
Membership No.: 223754Dipesh Gosar
Company Secretary
Membership
No.:A23755Hiren Gada
CEO & CFO
DIN 01108194Place : Chennai
Date : 29th July, 2020Place : Mumbai
29th July, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Notes	Year ended 31 st March, 2020	Year ended 31 st March, 2019
I. Income			
Revenue from operations	18	51,313.96	56,783.14
Other income	19	297.44	173.61
Total Income		51,611.40	56,956.76
II. Expenses			
Operational Cost	20	33,423.04	31,754.51
Employee benefits expense	21	6,789.49	5,513.21
Finance costs	22	2,437.86	2,571.55
Depreciation and amortization expense	3 & 4	751.14	558.46
Other expenses	23	3,421.03	3,718.81
Total Expenses		46,822.55	44,116.55
III. Profit/(Loss) before exceptional items and tax		4,788.85	12,840.21
IV. Exceptional Items	32.10	616.68	-
V. Profit before Tax for the period (III-IV)		4,172.17	12,840.21
VI. Tax expense			
Current tax		1,193.70	4,757.90
Short/(Excess) provision of the earlier years		66.04	(146.95)
Deferred tax Liability/ (Asset)	14	(132.34)	(37.47)
Total Tax expense		1,127.40	4,573.49
VII. Profit for the year (A) (V-VI)		3,044.77	8,266.73
VIII. Minority shareholders interest- (Profit)/loss		(5.36)	51.18
IX. Share in associates		(24.98)	(22.56)
Profit/ (Loss) for the year from continuing operations (A)		3,014.43	8,295.35
X. Profit/(loss) for the year		3,014.43	8,295.35
XI. Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurements of defined benefit plans		147.41	59.02
Tax relating to items that will not be reclassified to Profit and Loss		(37.10)	(20.62)
Items that will be reclassified to Profit and Loss			
Exchange differences in translating the financial statements of a foreign operation		(36.95)	-
Total Other Comprehensive Income for the year (B)		73.36	38.39
XII. Total comprehensive income (A + B)		3,087.79	8,333.74
XI. Earnings per equity share [face value of share ₹ 10]	24		
(a) Basic (₹)		11.09	30.52
(b) Diluted (₹)		11.09	30.52

See accompanying notes forming part of the financial statements

1-32

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Hiren Gada
CEO & CFO
DIN 01108194

Place : Mumbai
29th July, 2020

Consolidated Cash Flow Statement

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,788.85	12,840.21
Adjustments for :		
Other Comprehensive Income	147.41	59.02
Depreciation & Amortisation	751.14	558.46
Dividend Income	(0.50)	(0.50)
Financial Cost	2,437.86	2,556.84
Interest Income	(86.92)	(120.01)
Urealised foreign exchange (Gain)/Loss	(30.19)	2.33
Profit on sale of Assets	(0.27)	-
Exchange translation differences	(4.83)	-
Liabilities written off	(1.56)	-
Provision for Compensated leave Absence & others	32.97	12.67
Provision for Gratuity	(125.46)	69.16
Bad Debts written off	-	13.89
Operating profit before working capital changes	7,908.50	15,992.07
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	4,829.94	(2,806.65)
Decrease/(Increase) in Inventories	(11,070.87)	(7,303.12)
Increase/(Decrease) in Trade or Other Payable	1,510.88	1,656.02
Cash generated from/ (used in) operations	3,178.45	7,538.33
Direct Taxes paid (net)	3,933.05	4,342.69
Net cash from/ (used in) operating activities	(754.60)	3,195.63
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	0.68	26.30
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(702.37)	(423.12)
Dividend Income	0.50	0.50
Interest Income	86.92	120.01
Net cash from/ (used in) investing activities	(614.27)	(276.32)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in capital	(248.36)	-
Dividend Paid	(448.51)	(421.32)
Tax on Dividend Paid	(92.19)	(86.60)
Payment of lease liability	(106.46)	-
Increase/(Decrease) in Non-Current Borrowings	2,807.41	(986.44)
Increase/(Decrease) in Current Borrowings	1,817.74	1,106.49
Financial Cost	(2,393.44)	(2,556.84)
Net cash from/(used in) financing activities	1,336.19	(2,944.72)
Net increase/(decrease) in cash and cash equivalents	(32.68)	(25.40)
Cash and cash equivalents as at the beginning of the year	104.97	130.37
Cash and cash equivalents as at the end of the year	72.29	104.97

Note :

Cash & Cash equivalents consists of cash and bank balances and other bank balances as under :

S. No	Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
i)	Balances with banks		
	- Current accounts in Indian rupees	65.84	91.80
ii)	Cash on Hand	6.45	13.17
	Total	72.29	104.97

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Atul Maru
Jt. Managing Director
DIN 00169264

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Hiren Gada
CEO & CFO
DIN 01108194

Place : Mumbai
29th July, 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March 2020

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note	Balance as at 1 st April 2019	Changes in equity share capital during the year		Balance as at 31 st March 2020	Balance as at 31 st March 2019
			2018-19	2019-20		
Equity Share Capital	10	2,718.22	-	-	2,718.22	2,718.22

B. Other Equity

(₹ in Lakhs)

Particulars	Note	Reserves & Surplus			Other Comprehensive Income		Total
		Securities premium account	General reserve	Retained Earnings	Exchange differences on translating foreign operations	Remeasurement of Defined Benefit Plan	
Balance as at 1 st April 2019		14,340.81	2,112.81	37,915.19	25.83	58.46	54,453.09
Impact on account of adoption of Ind AS 116 (refer note 29)				(6.28)	-	-	(6.28)
Total Comprehensive Income for the year	11	-	-	3,014.43	(51.98)	110.31	3,072.77
Dividends (including Dividend Distribution Tax)		-	-	(540.70)	-	-	(540.70)
Balance as at 31 st March 2020		14,340.81	2,112.81	40,382.64	(26.15)	168.77	56,978.88

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Place : Mumbai
29th July, 2020

Atul Maru
Jt. Managing Director
DIN 00169264

Hiren Gada
CEO & CFO
DIN 01108194

Consolidated Notes to Financial Statements

for the year ended 31st March 2020

1 Corporate information

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

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

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

Subsidiary/Associate concern	Date of Incorporation	Place of Incorporation	Proportion of effective ownership as on	
			31 st March 2020	31 st March 2019
Shemaroo Entertainment Inc. * Wholly owned Subsidiary	15 th March, 2007	United States of America	100%	100%
Shemaroo Media & Entertainment LLC Wholly owned Subsidiary	23 rd April, 2018	United States of America	100%	0%
Shemaroo Entertainment (UK) Pvt. Ltd * Wholly owned Subsidiary	8 th July, 2009	United Kingdom	100%	100%
Shemaroo Entertainment Ltd LLC Wholly owned Subsidiary	12 th June, 2019	UAE	100%	100%
Canopy Entertainment Private Limited Wholly owned Subsidiary	31 st October, 2012	India	100%	100%
Contentino Media LLP Subsidiary LLP	25 th August, 2015	India	65%	65%
Shemaroo Think Tank Entertainment LLP Subsidiary LLP	12 th October, 2015	India	99.99%	99.99%
Vistaas Digital Media Private Limited Associate Company	17 th September, 2009	India	50%	50%

* The Investment in above two subsidiaries are written off on 31st March 2020 as they wound up .

2.1 Basis of accounting and preparation of consolidated financial statements

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

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

2.2 Principles of Consolidation

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

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

- i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions.
- ii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in foreign currency translation reserve.
- iii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iv) Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- v) Associates are entities over which the Group has significant influence but not control. The financial statements have been consolidated as per Ind AS 28 - "Accounting for Investments in Associates & Joint venture" following the Equity Method for Consolidation

of Associates. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

- vi) The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.
- vii) The Notes and significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position. In this respect, the group has disclosed such notes and policies, which represent the requisite disclosure.

2.3 Use of estimates

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

2.4 Summary of Significant Accounting Policies

(a) Property, Plant & Equipment

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

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

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

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

(b) Intangible asset

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebate less accumulated amortisation/ depletion and impairment loss, if any. Such cost includes purchase price,

borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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

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

(c) Depreciation and amortisation

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

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

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

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

Computer Software 5 years

(d) Borrowing Costs

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

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

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

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

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

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to

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

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

(f) Investments

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

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

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

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

(g) Inventories

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

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

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

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

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

(h) Cash and cash equivalents

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

(i) Cash Flow Statement

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

(j) Financial Assets

A. Initial recognition and measurement:

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

B. Subsequent measurement:

a) Financial assets carried at amortised cost

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

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

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

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

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

C. Equity Investments:

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

D. Investment in associates and joint ventures:

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

E. Impairment of Financial assets:

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

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

(k) Financial Liabilities

A. Initial recognition and measurements:

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

B. Subsequent measurement:

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

(l) Leases

"The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset."

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(m) Employee Benefits

Short Term Employee Benefits

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

Long Term Employee Benefits

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

Defined Contribution Plans

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

Gratuity

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

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

(n) Tax Expenses

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

Current Tax

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

Deferred Tax

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

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

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

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

(o) Foreign currencies transactions and translation

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(p) Revenue recognition

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

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

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

Sale of goods

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

Income from Services

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

(q) Other income**i) Interest Income**

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

ii) Dividend Income

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

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

(s) Earnings per share

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

(t) Provisions & Contingencies

Provisions are recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

Non-Current Assets

3(a) Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Computer Hardware &	Total
Cost or Deemed Cost						
At 1 st April 2019	5,356.63	278.88	534.65	984.13	7.89	7,162.18
Additions	581.64	-	54.33	-	3.52	639.49
Disposals	(17.62)	(3.87)	-	-	-	(21.49)
At 31st March 2020	5,920.65	275.01	588.99	984.13	11.41	7,780.18
Depreciation						
At 1 st April 2019	3,310.94	114.93	431.68	238.08	5.43	4,101.07
Charge for the year	551.72	29.40	17.58	16.02	2.17	616.89
Disposals	(17.30)	(3.72)	-	-	-	(21.02)
At 31st March 2020	3,845.36	140.61	449.26	254.11	7.60	4,696.94
Net Block						
At 1 st April 2019	2,045.68	163.95	102.97	746.05	2.46	3,061.11
At 31 st March 2020	2,075.28	134.40	139.73	730.02	3.81	3,083.24

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

3(b) Other Intangible assets

	Software	Trade Mark	Total
Cost or Deemed Cost			
At 1 st April 2019	396.06	25.00	421.06
Purchase	42.64	-	42.64
Disposals	-	-	-
At 31st March 2020	438.71	25.00	463.71
Accumulated amortisation			
At 1 st April 2019	303.32	15.77	319.09
Charge for the year	40.49	2.10	42.60
Disposals	-	-	-
At 31st March 2020	343.81	17.88	361.69
Net Block			
At 1 st April 2019	92.74	9.23	101.97
At 31 st March 2020	94.90	7.12	102.02

3(c) Intangible assets under development

	Software	Total
At 1 st April 2019	1.75	1.75
Additions	20.23	20.23
Capitalised during the year	-	-
At 31st March 2020	21.98	21.98

4 Right of use Assets

	Office Building	Total
Cost or Deemed Cost		
At 1 st April 2019	-	-
Additions	306.46	306.46
Deductions	-	-
At 31st March 2020	306.46	306.46
Accumulated amortisation		
At 1 st April 2019	-	-
Charge for the year	92.09	92.09
Disposals	-	-
At 31st March 2020	92.09	92.09
Net Block		
At 1 st April 2019	-	-
At 31 st March 2020	214.38	214.38

(₹ in Lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
NON-CURRENT ASSETS		
5 Financial Assets		
(a) Non- Current Investments		
Investments measured at Cost		
In Equity shares of Associate Company, Unquoted, fully paid up		
(i) 45,000 (31 st March 2019: 45,000) Equity shares of ₹ 10/- each fully paid up of Vistaas Digital Media Private Limited	-	45.00
Goodwill	-	1016.39
Share of Loss	-	(419.73)
In Equity shares, Unquoted, fully paid up		
(ii) 1,388 (31 st March 2019: Nil) Equity shares of ₹ 10/- each fully paid up of Dominiche Productions Private Limited	249.84	-
(iii) 50,000 (31 st March 2019: 50,000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00
Total	254.84	646.66
OTHER DISCLOSURES		
Aggregate amount of unquoted Investment	254.84	646.66
	254.84	646.66
(a) Category-wise Non-Current Investments		
Financial Assets measured at Cost	254.84	646.66
Total	254.84	646.66
(b) Loans & Advances		
Loans to employees	7.84	12.35
Security Deposit	62.90	64.07
Total	70.74	76.42
(c) Other Financial Assets		
Bank Deposits with more than 12 months maturity	32.66	30.77
Total	32.66	30.77
Note:		
Deposits includes balances with banks held as margin money deposits against guarantees	20.20	18.96
6 Other Non- Current Assets		
Balance with Customs and Central Excise Authorities	106.91	106.91
Prepaid lease payments	7.42	5.35
Gratuity plan asset (net of provisions)	39.66	-
Total	153.99	112.26
CURRENT ASSETS		
7 Inventories		
Work-in-Progress		
Media content under Production	358.21	594.97
Stock-in-Trade		
Copyrights	70,593.06	59,533.36
Physical Media	408.12	145.94
Total	71,359.38	60,274.27

Note: The entire book value (carrying amount) of inventories of the parent company is pledged as security for Cash Credit Facilities taken from banks except for inventories amounting ₹ 259.86 Lakhs.

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
8 Financial Assets		
(a) Trade receivables		
Unsecured Trade receivables		
- considered good	10,528.81	15,944.47
Less: Expected Credit loss allowance	(47.15)	(42.29)
Total	10,481.67	15,902.18
For transactions relating to related party receivables, refer note 26 (a)		
Note: Movement in expected credit loss allowance		
Opening Balance	42.29	38.45
Movement in expected credit loss allowance during the year	4.85	3.85
Closing Balance	47.15	42.29
(b) Cash and Cash Equivalents		
i) Balances with banks		
- Current accounts in Indian rupees	65.84	91.80
ii) Cash on Hand	6.45	13.17
Total	72.29	104.97
(c) Other Bank Balances		
i) Deposits with maturity of more than 3 months and less than 12 months	5.08	11.59
ii) Earmarked balances with Banks for :		
- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	26.00	13.81
- Balances with bank for unpaid dividend	0.52	0.42
- Balances with bank for Refund of Share Application Money	3.24	3.37
Total	34.83	29.20
(d) Loans & Advances		
Unsecured, considered good		
Loan to employees	43.21	59.16
Total	43.21	59.16
9 Other Current Assets		
Advances paid for Supply of Goods and Rendering of Services	1,257.78	1,991.23
Fixed deposit with Sales Tax Department	-	0.25
Other Taxes Receivable	1,174.27	428.72
Prepaid Expense	597.04	85.40
Trade Deposits	48.60	75.70
Others	28.78	39.64
Total	3,106.47	2,620.93
10 Equity Share capital		
Authorized shares capital		
3,00,00,000 equity shares of ₹10/- each (Previous Year 3,00,00,000)	3,000.00	3,000.00
Issued, subscribed and paid-up capital		
2,71,82,239 (Previous year 2,71,82,239) equity shares of ₹10/- each fully paid up	2,718.22	2,718.22
Total	2,718.22	2,718.22

OTHER DISCLOSURES

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

a) Reconciliation of no. of equity shares outstanding

(₹ in lakhs)

	As at 31 st March 2020		As at 31 st March 2019	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the period	2,71,82,239	2,718	2,71,82,239	2,718
Outstanding at the end of the period	2,71,82,239	2,718	2,71,82,239	2,718

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

	As at 31 st March 2020		As at 31 st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Hirji Maroo	48,09,520	17.69%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%
Mr. Buddhichand Hirji Maroo	35,75,320	13.15%	35,75,320	13.15%
New Horizon Opportunities Master Fund	26,14,000	9.62%	26,14,000	9.62%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%
Total	1,76,31,200	64.86%	1,76,31,200	64.86%

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
11 Other Equity		
(a) Reserves & Surplus		
I Securities premium account		
Opening balance	14,340.81	14,340.81
Closing Balance (A)	14,340.81	14,340.81
II General reserve		
Opening balance	2,112.81	2,112.81
Closing Balance (B)	2,112.81	2,112.81
III Retained Earnings		
Opening balance	37,915.19	30,127.77
Impact on account of adoption of Ind AS 116 (refer note 29)	(6.28)	-
Profit/loss for the year	3,014.43	8,295.35
Payment of Dividend on Equity Shares	(448.51)	(421.32)
Tax on Proposed Dividends	(92.19)	(86.60)
	40,382.64	37,915.19
(b) Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Exchange differences on translating foreign operations		
Opening Balance	25.83	23.49
Add: Exchange differences in translating the financial statements of a foreign operation	(51.98)	2.33
	(26.15)	25.83
- Remeasurements of defined benefit plans		
Opening Balance	58.46	20.06
Remeasurements during the year	147.41	59.02
Deferred tax on remeasurements during the year	(37.10)	(20.62)
	168.77	58.46
Total Retained Earnings (C)	142.62	84.28
Total (A + B + C)	40,525.26	37,999.47
Total	56,978.88	54,453.09

Non-Current Liabilities

Financial Liabilities

12 Non-Current Borrowings

(₹ in Lakhs)						
Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 st March 2020	As at 31 st March 2019	
(a) Secured Bank Loan - at amortised cost						
(i) Bill Discounting from Bank is secured by exclusive charge on specified receivables	6 months MCLR + 1.45%	10-Sep-19	Repayable 100% on 10th Sep'19	477.35	200.23	
(ii) Bill Discounting from Bank is secured by exclusive charge on specified receivables (Refer Note 26 (a) for Personal Guarantee)	1.20% + 6 months MCLR	10-Sep-19	Repayable in two equal installments - 30th Sep'18 & 30th Sep'19	-	265.20	
(iii) Term Loan, secured by hypothecation of motor vehicles	8.61%	15-Sep-21	Repayment monthly in 37 equal installments of INR 101690/- as per repayment schedule of the Bank	17.08	27.28	
(iv) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 17537/- as per repayment schedule of the Bank	3.39	5.09	
(v) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44683/- as per repayment schedule of the Bank	8.63	12.98	
(vi) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of INR 44683/- as per repayment schedule of the Bank	8.63	12.98	
(b) Unsecured Bank Loan - at amortised cost						
(i) Unsecured Term Loan	9.40%	05-Dec-24	Repayment Monthly in 60 equal installments of INR 6208382/- as per repayment of schedule of the Bank.	2,832.19	-	
Total Non-Current Borrowings				3,347.27	523.75	
Less: Current Maturities of Secured long-term debt (included in Note 15 (c i))				462.53	486	
Less: Current Maturities of Unsecured long-term debt (included in Note 15 (c ii))				498.65	-	
Non-Current Borrowings				2,386.09	37.73	

Note: Assets pledged as Security:

(₹ in lakhs)

Particulars	Note No,	As at 31 st March 2020	As at 31 st March 2019
Non Financial Assets			
Office Building	3 (a)	730.02	746.05
Plant and Machinery	3 (a)	369.48	-
Motor Vehicles	3 (a)	67.86	77.53
Intangibles-Software	3 (b)	13.91	-
Inventories	7	71,099.30	60,071.29
Financial Assets			
Trade Receivables	8 (a)	8,096.01	15,659.63
Total		80,376.59	76,554.50
13 Provisions			
Provision for employee benefits:			
- Gratuity		-	181.71
- Compensated leave absences		161.95	135.57
Total		161.95	317.28
14 Deferred Tax Liabilities			
Balances comprises temporary differences attributable to:			
Property, Plant & Equipment & Intangible Assets		255.54	381.64
Disallowances under the Income Tax Act, 1961		(51.23)	(38.32)
Financial Liability at amortised cost		(5.40)	-
Remeasurement of Defined benefit plan		8.09	(1.86)
Net Deferred Tax Liability		207.00	341.45

Note: Movements in Deferred Tax Liabilities/(Assets)

Particulars	Current year (DTL)	Financial Liability at amortised cost (DTA)	Remeasurement of defined benefit plan (DTA)	Net Balance
Opening Balance as on 1 st April'2019	381.64	(1.86)	(38.32)	341.45
On first time adoption of Ind AS 116	-	(2.11)	-	(2.11)
Charge or (Credit) to the Statement of Profit and Loss	(126.10)	6.66	(12.91)	(132.34)
Closing Balance as on 31st March 2020	255.54	2.68	(51.23)	207.00

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

Secured Loan from Bank

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

12,458.77

12,308.80

Unsecured Bank Overdraft

1,767.94

4,270.75

Unsecured Bank Short Term Loan

2,658.17

-

Loans & Advances (Unsecured)

-Intercompany Deposits from others

150.00

205.00

-Directors

2,642.69

2,903.57

-Others

1,828.15

-

Total**21,505.71****19,688.11****(b) Trade payable**(a) Due to Micro and Small Enterprises
(Refer Note No.32.6)

79.22

174.68

(b) Due to Others

4,830.49

2,803.88

Total**4,909.71****2,978.56**

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

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(c) Other Financial Liabilities		
Current Maturities of long-term debt	462.53	486.02
Current Maturities of Unsecured long-term debt	498.65	-
Security Deposit Received	18.20	21.00
Others	27.15	3.37
Interest accrued but not due on borrowings	17.98	-
Bank Overdraft	8.39	-
Unclaimed Dividend Payable	0.52	0.42
Total	1,033.41	510.82
16 Other Current Liabilities		
Advances received from Customers	5.05	37.49
Prepayments Received	2.80	-
Statutory Dues Payable	262.39	644.18
Others	13.24	114.34
Total	283.48	796.01
17 Provisions		
(a) Provision for Employee Benefits		
- Gratuity	63.29	46.71
- Compensated leave absences	17.96	11.36
- E S I C	0.39	1.11
- Provident Fund	21.25	21.64
- Maharashtra Labour Welfare Fund	0.00	0.01
	102.90	80.83
(b) Other Provisions		
Provision for purchase	40.00	-
	40.00	-
Total Provisions	142.90	80.83
Income Tax expenses for the year can be reconciled to accounting profit as follows:		
Profit before tax	4,598.40	13,184.96
Tax effect of:		
Depreciation as per Income Tax Rules	(577.13)	(473.65)
Deductions	(139.71)	(141.82)
Exempted Dividend Income	(0.50)	(0.50)
Expenses disallowed	859.76	1,046.81
	4,740.82	13,615.79
Applicable Tax Rate	25%	35%
Current tax expenditure for the year	1,193.17	4,757.90
Tax Deduction at Source	(2,155.08)	(3,243.11)
	(961.91)	1,514.79
18 Revenue from Operations		
Sale of Rights	49,315.63	55,641.23
Sale of Products	696.43	223.21
Income from Services	844.94	857.79
Other Operating Revenue	456.95	60.91
Total	51,313.96	56,783.14

The Government of India has reduced the corporate tax rates from 30% to 22% through the Taxation Laws (Amendment) Act, 2019 which is effective from 1st April 2019. As per the same if assesses opts new corporate tax rate, Minimum Alternative Tax provisions (MAT) provisions are not applicable. The Parent Company "Shemaroo Entertainment Limited" has opted for new corporate tax rate from the financial year 2019-20 and the tax liability above has been calculated accordingly.

(₹ in lakhs)

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
19 Other income		
Interest	86.92	120.01
Dividend from Non-Trade Investment	0.50	0.50
Commission	28.42	-
Export Incentive	68.24	-
Other	113.37	53.10
Total	297.44	173.61
20 Operational Cost		
Inventories at the beginning of the year	60,274.27	52,971.15
Purchases	41,214.78	35,258.35
Works Cost	3,293.38	3,799.28
Less: Inventories at the end of the year	(71,359.38)	(60,274.27)
Total	33,423.04	31,754.51
21 Employee Benefit Expense		
Salaries, Bonus and Allowances	6,343.60	5,009.42
Remuneration to Partners	45.00	-
Contribution to Provident & Other funds	245.57	285.10
Staff Welfare Expenses	155.32	218.69
Total	6,789.49	5,513.21
22 Finance costs		
Interest on Borrowings	2,270.36	2,445.35
Bank & Other Finance Charges	109.94	111.49
Interest on Statutory Dues	30.12	14.71
Finance Cost on Lease Assets	27.44	-
Total	2,437.86	2,571.55
23 Other expenses		
Bad Debts written off	-	13.89
Business Development expenses	177.03	204.53
Communication expenses	202.85	118.73
Donations (refer note no. 32.5)	249.98	194.31
Electricity Expenses	174.67	166.04
Foreign Exchange Fluctuation Loss	1.31	-
General Expenses	551.15	479.20
Expected Credit Loss (Ind-AS)	4.85	-
Insurance Expenses	66.34	59.18
Legal, Professional and Consultancy expenses	699.27	788.55
Payment to Auditors	20.48	19.71
Repairs and Maintenance		
- Building	33.18	38.76
- Machinery	215.57	266.41
- Others	94.56	138.85
Rents, Rates and Taxes	29.08	33.68
Security Charges	623.56	864.78
Selling and Marketing Expenses	255.36	326.43
Travelling and Conveyance	21.79	5.77
Total	3,421.03	3,718.81
Payment to auditor		
As auditor:		
Statutory Audit fee (excluding taxes)	16.55	16.77
In other capacity:		
Other Services (Certification)	0.93	0.40
Reimbursement of expenses	2.40	2.54
Total	19.88	19.71

(₹ in lakhs)

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
24 Earnings per share (EPS)		
Following reflects the net profit after tax and no. of shares data used in the Basic and Diluted EPS computations:		
Total operations for the year		
Profit after tax	3,014	8,295
Net Profit for calculation of basic EPS	3,014	8,295
Net profit as above	3,014	8,295
Net Profit for diluted EPS	3,014	8,295
Weighted average number of equity shares in calculating diluted EPS	271.82	271.82
(a) Basic (₹)	11.09	30.52
(b) Diluted (₹)	11.09	30.52

25 Employee Benefits

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

a) Defined Contribution Plans

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

b) Defined Benefit Plan

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

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

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	2019-20	2018-19
Defined Benefit obligation at beginning of the year	526.53	389.59
Current Service Cost	55.06	79.37
Interest Cost	39.04	29.73
Past Service Cost	-	-
Actuarial (Gain)/Loss	(156.44)	49.65
Benefits paid	(41.78)	(21.81)
Defined Benefit obligation at year end	422.40	526.53

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

Particulars	Gratuity (funded)	
	2019-20	2018-19
Net (Asset)/Liability at the beginning of year	526.53	389.59
Expenses Recognized in Statement of Profit and Loss	94.09	109.10
Expenses Recognized in OCI	(156.44)	49.65
Benefit paid	(41.78)	(21.81)
Net (Asset)/Liability at the end of year	422.40	526.53

III) Amount recognised in Balance Sheet

Particulars	Gratuity (funded)	
	2019-20	2018-19
Present value of defined benefit obligation	422.40	526.53
Amount recognised in Balance Sheet	422.40	526.53

IV) Expenses recognised during the year

(₹ in lakhs)

Particulars	Gratuity (funded)	
	2019-20	2018-19
Current Service Cost	55.06	79.37
Net Interest Cost	39.04	29.73
Past Service Cost	-	-
Actuarial (Gain)/Loss	-	-
Other Transfer	-	-
Net Cost	94.09	109.10

V) Expenses recognised in Other Comprehensive Income

Particulars	Gratuity (funded)	
	2019-20	2018-19
Actuarial (Gains)/Losses on Obligation For the Year	(156.44)	49.65
Return on Plan Assets, Excluding Interest Income	(3.16)	(1.73)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(159.60)	47.92

VI) Actuarial assumptions

Mortality Table	IAL (2012-14)	IAL (2006-08)
Discount rate (per annum)	6.82%	7.72%
Expected rate of salary increase (per annum)	4.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%

VII) The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

VIII) Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points:

Sensitivity Analysis	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	422.40	526.53
Delta Effect of +1% Change in Rate of Salary Increase	45.03	60.10
Delta Effect of -1% Change in Rate of Salary Increase	(40.78)	(52.78)
Delta Effect of +1% Change in Rate of Employee Turnover	12.58	1.76
Delta Effect of -1% Change in Rate of Employee Turnover	(14.62)	(2.26)
Delta Effect of +1% Change in Rate of Discounting	(41.63)	(62.72)
Delta Effect of -1% Change in Rate of Discounting	49.86	76.55

Notes:

The current service cost recognised as an expense is included in Note 21 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

c) Other long term benefits:

The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 21 'Employee benefits expense'.

26 Related party disclosures

Related Party relationship	Name of Related Parties
i) 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 Mrs. Kranti Gada Mrs. Smita Maroo Ms. Mansi Maroo Mr. Dipesh Gosar
ii) 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)
iii) 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.
iv) Associate Company	Vistaas Digital Media Private Limited

26 (a) Related Party Transactions

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

(₹ in Lakhs)

Particulars	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-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Purchase of Goods & Services	-	-	-	-	20.11	18.52	-	-	20.11	18.52
Salaries	391.23	385.13	36.95	24.69	-	-	-	-	428.18	409.81
Directors Sitting Fees	1.00	2.00	-	-	-	-	-	-	1.00	2.00
Remuneration to Directors	179.91	158.69	-	-	-	-	-	-	179.91	158.69
Interest Accrued (on Loans)	335.59	361.35	-	-	-	-	-	-	335.59	361.35
Loans Taken during the year	561.05	2,963.80	-	-	-	-	-	-	561.05	2,963.80
Dues to Related Parties	2,642.69	2,903.43	-	-	59.80	44.07	-	-	2,702.49	2,947.50

Company has taken collective personal guarantee from related parties to the tune of Rs. 13,990 lakh, against its borrowings from the banks.

The above loans from related parties are unsecured and payable on demand.

26 (b) Compensation of Key Managerial Personnel

The remuneration of director and other member of Key Managerial Personnel during the year was as follows:

(₹ in Lakhs)

Particulars	Mar-20	Mar-19
i. Short-term benefits	561.04	535.05
ii. Post employment benefits	10.10	8.76
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

27 Financial Instruments

27.1 Fair value measurements

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

(₹ in lakhs)

Particulars	as at 31 st March'20				as at 31 st March'19			
	Level of inputs used in				Level of inputs used in			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
I. Financial Assets								
- At amortised cost								
Investments	254.84	-	-	254.84	646.66	-	-	646.66
Trade Receivables	10,481.67	-	-	10,481.67	15,902.18	-	-	15,902.18
Loans & Advances	113.95	-	-	113.95	135.57	-	-	135.57
Cash & Cash Equivalents	72.29	-	-	72.29	104.97	-	-	104.97
Other Bank Balances	34.83	-	-	34.83	29.20	-	-	29.20
Other Financial assets	32.66	-	-	32.66	30.77	-	-	30.77
II. Financial Liabilities								
- At amortised cost								
Borrowings	23,891.81	-	-	23,891.81	19,725.85	-	-	19,725.85
Lease Liability	235.84	-	-	235.84	-	-	-	-
Trade Payables	4,909.71	-	-	4,909.71	2,978.56	-	-	2,978.56
Security Deposit Received	18.20	-	-	18.20	21.00	-	-	21.00
Other Financial Liabilities	1,033.41	-	-	1,033.41	510.82	-	-	510.82

* Other financial liabilities includes current maturities of long term borrowings carried at amortised cost.

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

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

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

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

27.2 Foreign exchange exposure

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

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

Particulars	Currency	As at 31 st March 2020	As at 31 st March 2019
Financial Assets			
Trade Receivables	USD (\$)	5.86	5.12
	EURO (€)	0.01	0.01
Loans to subsidiaries	USD (\$)	2.59	1.18
	GBP (£)	-	0.37
	AED (DH)	3.56	-
Other Current Assets			
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.11	0.81
	LKR (Rs)	10.11	-
Financial Liabilities			
Trade Payable	USD (\$)	3.32	1.10
	AED (DH)	0.03	-
	EURO (€)	0.25	-
	LKR (Rs)	-	10.11
	GBP (£)	-	0.03
Other Current Liabilities			
Advances received from Customers	USD (\$)	0.03	0.01

28 Financial Instruments

(i) Financial risk management objective and policies

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

a) Market risk

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

b) Interest rate risk

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

Interest rate sensitivity

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

(₹ in lakhs)

Particulars	Interest impact (pre tax)			
	Year ended 31 st March'20		Year ended 31 st March'19	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	4.69	(4.69)	3.52	(3.52)
Impact on total equity as at the end of the reporting Year	4.69	(4.69)	3.52	(3.52)

c) Foreign Currency risk

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

d) Credit risk

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

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

Ageing of trade receivables

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade receivables (Unsecured)		
over six months	735.75	469.94
less than six months	9,793.06	15,474.54
Total	10,528.81	15,944.47

e) Liquidity risk

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

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

(₹ in lakhs)

Particulars	As at 31 st March'20		As at 31 st March'19	
	Due in 1 year	Due in 2 - 3 years	Due in 1 year	Due in 2 - 3 years
Financial Liabilities				
Trade Payable and other financial liabilities	27,448.84	-	23,177.49	-
Borrowings	-	2,386.09	-	37.73
Lease Liability	96.25	139.59	-	-
Total	27,545.09	2,525.69	23,177.49	37.73

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

(ii) Capital Management

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

Gearing ratio

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

(₹ in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Debt		
Long Term Borrowings (Including Current Maturity of Long Term Debts)	3,347.27	523.75
Short Term Borrowings	21,505.71	19,688.11
Cash & Bank Balances	(72.29)	(104.97)
Total debt (A)	24,780.70	20,106.90
Equity		
Equity Share Capital	2,718.22	2,718.22
Other Equity	56,978.88	54,453.09
Total equity (B)	59,697.10	57,171.31
Net Debt to Equity Ratio (A/B)	42%	35%

29 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 and entered into during the year.

The company adopted modified retrospective method for the all lease contracts existing on April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 306.46 lakhs, and a lease liability of ₹ 314.86 lakhs. The cumulative effect of applying the standard, amounting to ₹ 6.28 lakhs was debited to retained earnings, net of tax.

- a) The summary of information showing the effect of "Leases" on the financial position, financial performance and cash flows are given below:

(₹ in lakhs)

Particulars	
Right of use asset:	
a) Balance as at April 1, 2019	-
b) Additions made during the year	
- Office Buildings	306.46
c) Depreciation charged to Statement of profit and loss	(92.09)
d) Balance as at March 31, 2020	
- Office Buildings	214.38
Lease Liability:	
a) Balance as at April 1, 2019	-
b) Additions made during the year	314.86
c) Interest expenses charged to Statement of profit and loss	27.44
d) Cash outflow for leases	(106.46)
e) Balance as at March 31, 2020	235.84

Note:

- 1) The weighted average incremental borrowing rate applied to lease liability is 11 %
- 2) The company has applied single discount rate to a portfolio of leases of similar assets.

- b) The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	As at March 31, 2020
Current lease liability	96.2
Non-current lease liability	139.6
Total	235.8

- c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	96.2	-
One to five years	139.6	-
More than five years	-	-
Total	235.8	-

- d) The Company does not face a significant liquidity risk with regard to its lease liability as the current assets are sufficient to meet the obligations related to lease liability as and when they fall due.
- e) Rental expense charged to the Statement of profit and loss account applying paragraph 6 of Ind AS 116, on account of low-value asset is ₹ Nil and short-term leases is ₹ Nil.

30 Financial Details of Subsidiaries, Associate Companies and Joint Ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in Lakhs)

Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (in ₹)	Capital	Reserves	Total Assets	Total Liabilities	Investments included in Total Assets	Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend
1	Canopy Entertainment Private Limited	INR	1.00	100	(28.44)	72.77	72.77	-	0.56	(16.65)	-	(16.65)	NIL
2	Contentino Media LLP	INR	1.00	1	487.27	747.03	747.03	-	1,486.28	15.30	-	15.30	NIL
3	Shemaroo Think Tank Entertainment LLP	INR	1.00	1	229.29	2,322.63	2,322.63	-	2,050.00	359.09	-	359.09	NIL
4	Shemaroo Media & Entertainment LLC	USD	75.39	38	(297.58)	49.87	49.87	-	118.23	(150.01)	0.53	(150.54)	NIL
5	Shemaroo Entertainment Ltd LLC	AED	20.44	31	(97.60)	16.99	16.99	-	-	(92.19)	-	(92.19)	NIL

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No of Shares	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Vistaas Digital Media Private Limited	31 st March, 2020	45,000	50%	Strategic investment	Shemaroo Entertainment Limited is holding only as an strategic investment and does not exercise management control	(1.50)	(18.52)	NIL

31 Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the financial year 2019-2020.

Name of the entity	Net Assets, i.e., Total Assets Minus Total Liabilities		Share of profit or loss		Share in other comprehensive income		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Shemaroo Entertainment Limited	99.51%	59,965	95.60%	2,379.19	142.43%	110.31	97.01%	2,489.50
SUBSIDIARIES								
INDIAN								
Canopy Entertainment Private Limited	0.12%	71.56	-0.67%	(16.65)	0.00%	-	-0.65%	(16.65)
Contentino Media LLP	0.53%	317.38	0.40%	9.95	0.00%	-	0.39%	9.95
Shemaroo Think Tank Entertainment LLP	0.38%	230.27	14.43%	359.06	0.00%	-	13.99%	359.06
FOREIGN								
Shemaroo Media & Entertainment LLC	-0.43%	(259.88)	-6.05%	(150.54)	-35.45%	(27.46)	-6.94%	(178.00)
Shemaroo Entertainment Limited LLC	-0.11%	(66.94)	-3.70%	(92.19)	-6.98%	(5.41)	-3.80%	(97.60)
Total	100%	60,257.41	100%	2,488.81	100%	77.45	100%	2,566.26

(₹ in Lakhs)

32 Additional information to financial statements**32.1 Approval of financial statements**

Financial statements were approved for issue by Board of Directors on 29th July'2020.

32.2 Segment Reporting

The Group has identified "Entertainment" as the only primary reportable business segment and hence business segment disclosure as per IND AS - 108 is not applicable. The Group operates in India and rest of the world.

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

(a) Loan given by company to body corporate as at 31st March'2020. (Refer note 8(d) of Standalone financials)

(b) Investment made by the company as at 31st March'2020. (Refer note 5(a))

(c) No Guarantee has been given by the company as at 31st March'2020.

32.4 Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	31 st March 2020	31 st March 2019
Disputed Direct Tax Demands	45.69	45.69
Disputed Indirect Tax Demands	441.16	408.50
Legal Cases against the Group	20,224.30	122.60
Bill of exchange discounted with Bank	-	675.00
	20,711.15	1,251.79

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

32.5 Corporate Social Responsibility (CSR)

CSR amount required to be spent as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof by the Company during the year is ₹ 223 Lakhs and company has spent ₹ 248 Lakhs.

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

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is ₹ 79.22 Lakh during 2019-20 (Previous year 2018-19 ₹ 174.68) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

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

32.8 Disclosure under IND-AS - 108

For FY 2019-2020, revenue from top 1 customer accounted for ₹ 9,053 Lakhs. For FY 2018-2019, revenue from top 1 customer accounted for ₹ 11,231 Lakhs.

32.9 An amount of ₹ 3.24/- Lakhs grouped under other financial liabilities in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company which is held and maintained by HDFC Bank Limited, Refund Bankers to the IPO.

32.10 The Associate Company Vistaas Digital Media Private Limited (VDMPL) was into the Devotional content business but the required setup was missing. Therefore, Shemaroo Entertainment Limited has developed the Devotional content business, the investment made in the said Company is written off as there were no other Assets and Liabilities also in VDMPL.

The loss arisen on the writing off of the above Investment is shown under Exceptional Item.

32.11 The lockdown and restrictions imposed on various activities due to COVID-19 pandemic across the world had a bittersweet impact on Shemaroo's business. The subscription-led businesses saw a reasonable uptick in the number of users and consumption, directly translating into revenue. On the other hand, despite an increase in consumption, the Company's advertisement-dependent businesses were heavily impacted because of most of the brands slashed their advertising spends in view of this unprecedented slowdown in the economy and their business activities coming to a standstill. Shemaroo understands that this is a temporary setback and is positive that the economy and the media and entertainment sector will bounce back soon with rejuvenated demand and advertising spends. Subject to the Covid-19 situation improving in the country, the Company anticipates normalcy to start setting in towards the end of Q2 FY 2020-21.

32.12 Prior Year Comparatives

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

As per our report of even date.

For M. K. Dandekar & Co.
Chartered Accountants
ICAI Firm Registration No. 000679S

S. Poosaidurai
Partner
Membership No.: 223754

Place : Chennai
Date : 29th July, 2020

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

Raman Maroo
Managing Director
DIN 00169152

Dipesh Gosar
Company Secretary
Membership
No.: A23755

Place : Mumbai
29th July, 2020

Atul Maru
Jt. Managing Director
DIN 00169264

Hiren Gada
CEO & CFO
DIN 01108194



INDIA KHUSH HUA

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