



Ref No.: SEL / Reg. 34- LODR/Sep-2018 / 01

September 14, 2018

**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 2017-18 duly approved and adopted by the members.

This is for your information and records.

Thanking you,

Yours faithfully,

For Shemaroo Entertainment Limited



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

Encl: A/a

SHEMAROO ENTERTAINMENT LIMITED

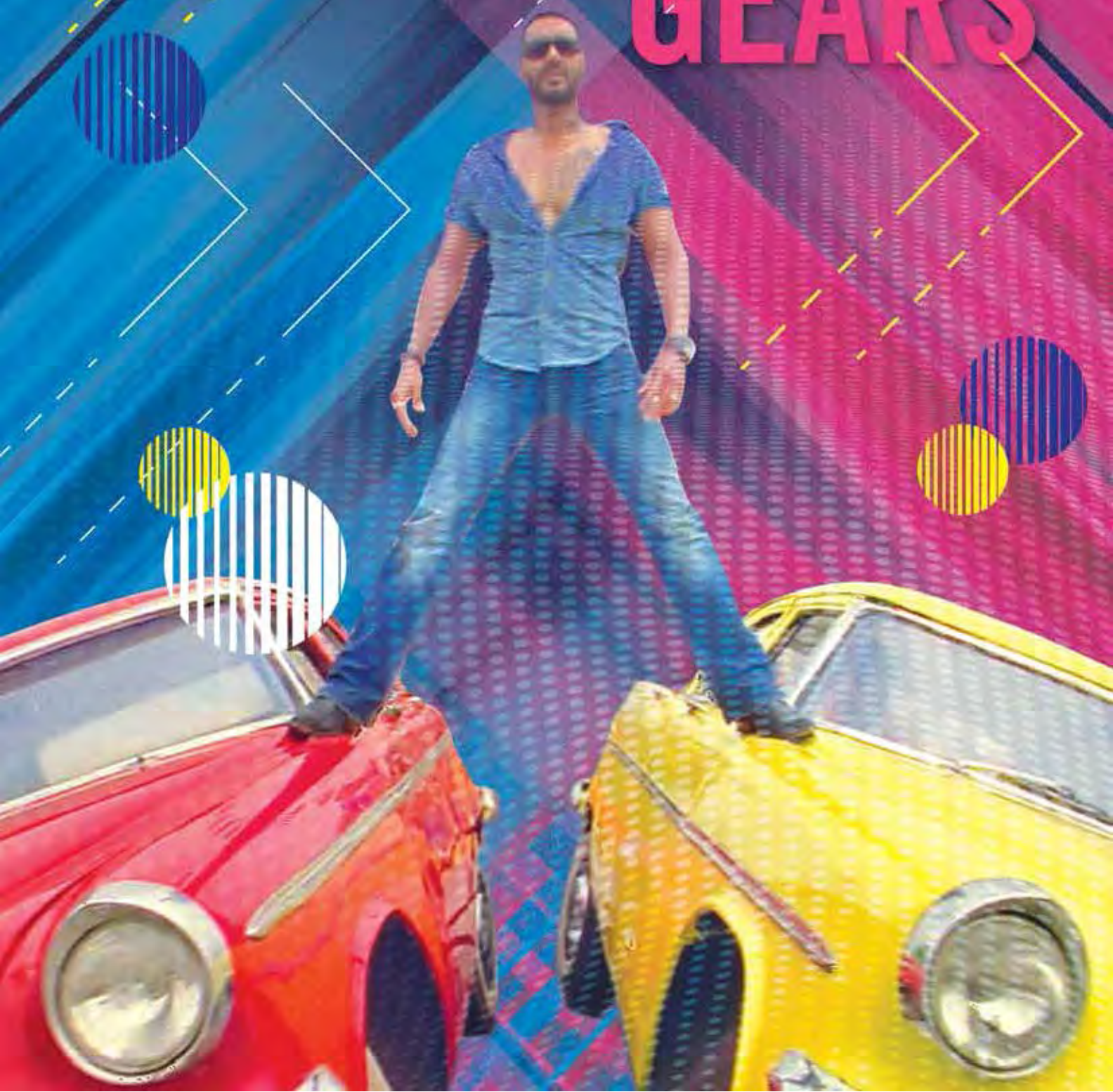
Shemaroo House, Plot No. 18, Marol Co - Op. Industrial Estate, Off Andheri Kurla Road, Andheri (E), Mumbai - 400 059.
Tel.: +91 - 22 4031 9911 | Fax: +91 - 22 2851 9770 | Email: shemaroo@shemaroo.com
shemarooent.com | CIN: L67190MH2005PLC158288

SHEMAROO ENTERTAINMENT LIMITED



CHANGING GEARS

ANNUAL REPORT 2017-18





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Disclaimer: The image on the cover page is taken from the film "Golmaal 3" which belongs to the Company's library of perpetual titles and the same is used to symbolize the Company's vision. Please note that the actor/ celebrity in the said image do not endorse or support the Company's brands or its vision/ objectives.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Buddhichand Maroo
DIN: 00169319
Chairman

Mr. Raman Maroo
DIN: 00169152
Managing Director

Mr. Atul Maru
DIN: 00169264
Jt. Managing Director

Mr. Hiren Gada
DIN: 01108194
CEO & CFO

Mr. Jai Maroo
DIN: 00169399
Non-Executive Director

Mr. Gnanesh Gala
DIN: 00093008
Independent Director

Mr. Kirit Gala
DIN: 01540274
Independent Director

Mr. VasANJI MAMANIA
DIN: 00013071
Independent Director

Mr. Shashidhar Sinha
DIN: 00953796
Independent Director

Dr. CA Reeta Bharat Shah
DIN: 07141304
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

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

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

Shemaroo House, Plot No.18,
Marol Co-op. Indl. Estate,
Off. 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

THE SHEMAROO EDGE



SHEMAROO - A CONTENT POWERHOUSE

Shemaroo is one of India's largest Filmed Entertainment Content Powerhouse with a global reach. The company is a pioneer in the arena of content ownership, aggregation and distribution in India. Shemaroo has been a household name for more than 5 decades, providing premium content experiences across age groups, languages and genres. From classic to contemporary, devotional to regional, the company is in the consumption set for any user on any screen at any time.

In the next 5 years, the Indian economy is all set to become the fourth largest, with an expected growth rate of over 7%, making it the fastest growing major economy in the world. This growth will lead to an increase in disposable incomes, resulting in an increased demand for leisure and entertainment services, of which media and entertainment sector inevitably will be the foremost beneficiary. Also India's M&E sector is growing faster than the GDP growth rate.

The film entertainment industry in India is one of the largest in the world, although the industry is extremely fragmented. The need for an aggregator in this type of an industry is a necessity. Considering the potential for growth in consumption across traditional and digital media platforms, Shemaroo realised this opportunity very early on and started to acquire content rights from various producers. Today the company owns a diverse and formidable content library of over 3,700 titles, which includes both, commercially and critically acclaimed movie titles rights, across genres, which has made the company a highly sought-after content house.

The company has created a stronghold for itself in the fragmented Indian industry by marrying insights into its strategy to bridge the gap between the content creators and consumers - a reason why Bollywood is almost synonymous with Shemaroo. Other than having an upper hand in Hindi content, Shemaroo also has a significant presence in regional content like Gujarati, Bengali, Punjabi and Marathi as well as other categories like kids, comedy and devotional content. Apart from acquiring content with limited rights, the company's strong perpetual library enables it to distribute content worldwide for an uninterrupted period across most mediums, thereby ensuring stability, predictability and scalability.

Riding on its unique business model, Shemaroo is 'Changing Gears' to re-imagine the way it offers content and services to consumers while strengthening its position as a household name.



Content Library as on May 15th, 2018

Types of Content	Perpetual Titles	Limited Ownership Titles	Total Number of Titles
Hindi films	471	1,454	1,925
Regional Titles	511	1,017	1,528
Special Interest Content	55	243	298
Total	1,037	2,714	3,751

From classic to contemporary, devotional to regional, Shemaroo is in the consumption set of any user on any screen at any time.

CHANGING GEARS BY RIDING THE DIGITAL WAVE

Shemaroo has been the leader in the migration of the industry from physical to digital formats. It was one of the early companies in the media industry to realise the potential of the digital medium in the early 2000's and continues to innovate in this space. It has seamlessly transformed to become an entrenched player in the digital ecosystem, with a footprint that encompasses a wide variety of internet platforms.

With trends pointing towards a fundamental shift in the way end users consume data, the same is likely to be a game-changing moment for stakeholders across the media value chain, yielding potentially long-term benefits. Shemaroo's ability to understand the pulse of the consumption patterns has helped it become a trusted partner with almost all the major OTT players such as YouTube, Hotstar, Apple iTunes, Google Play, YuppTV, Vuclip, etc. The company has proven its ability to curate content and package it in different ways, suitable for the digital medium. Shemaroo's ability to reinvent itself for over 50 years based on changing consumption patterns helps it to innovate and adapt to the ever-changing dynamic digital space and stay ahead of the curve.

Shemaroo was one of the first Indian content partners on one of the fastest growing digital platforms in India - YouTube. The company has garnered over 15 billion cumulative views and over 30 million subscribers till 31st March 2018 across all its YouTube channels. Two of its YouTube channels consistently feature in the Top 20 channels in India, in terms of views. With newer opportunities opening due to evolving technologies, there is an increase in demand for more quality content. Shemaroo aims to be at the forefront of Digital and Technological Innovations by successfully adapting to the changing technologies and launching new future ready services for its consumers. From less than 10% revenue contribution in FY14, Shemaroo's Digital Media Business has grown to over 25% revenue contribution in FY18. The company is aiming to increase this contribution to over 50% in the next 5 years with new, disruptive and future ready products and services catering to the new age digital consumer.



OUR DIGITAL PARTNERSHIPS
YouTube, Reliance Jio, Hotstar, YuppTV,
Vuclip, Apple iTunes, Google Play, Ola,
Airtel, Vodafone, Idea



CHANGING GEARS BY STRENGTHENING RELATIONSHIPS

Shemaroo's multifold growth over the years is a result of management's thrust on developing excellent relationships with the relevant players in the media industry value chain. Due to the fragmented movie production industry, Shemaroo adds significant value to both the distribution platforms as well as content right owners by bridging the gap. Shemaroo provides high quality content rights suited to the requirements of distribution platforms. The company is able to provide more value for money for the producers due to its expertise to maximise the monetisation potential of content.

The company has strong relationships with various media houses on one hand and distribution platforms on the other. The Indian producers' fraternity includes the likes of R.K. Films, Red Chillies

Entertainment, Tips Industries Ltd, Viacom 18, Nadiadwala Grandson Entertainment etc. Shemaroo also has excellent partnerships across traditional distribution platforms like satellite, terrestrial and cable television as well as emerging digital media platforms like Mobile, Internet, OTT, etc. It would therefore be safe to assume that most platforms offering Bollywood services would have at least some content provided by Shemaroo.

Shemaroo will continue to strengthen its relationships to provide unparalleled value addition to all stakeholders across the media and entertainment ecosystem.



OUR TRADITIONAL MEDIA PARTNERS

**Star Gold, Viacom 18, Sony Max, Zee Cinema, & Pictures,
TV Today, Doordarshan**



CHANGING GEARS BY STRENGTHENING OUR CONSUMER FOCUS



Shemaroo became a part of people's home entertainment experience almost 4 decades ago. Its efforts in fostering progress and identifying the pulse of the audience has helped to increase the mindshare among consumers and strengthen its position as a household name. Shemaroo has a very active innovation and incubation centre, which is constantly working on new ideas based on consumer needs and evolving industry trends to come up with ground-breaking products for the consumers. This has also enabled the company in spotting digital trends much ahead of the competition.

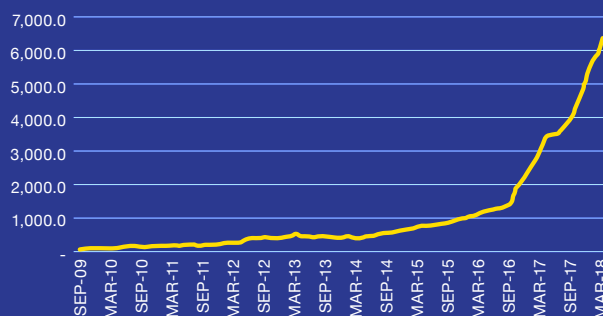
Some of Shemaroo's brands which are loved by the consumers are Miniplex: a premium ad-free, paid Bollywood premiere service on DTH platforms, offering one world television premiere a week and handpicked recent movies on other days; Filmigaane: the biggest and most popular destination on YouTube for lovers of retro music with more than 8 million subscribers and 3 billion cumulative views; Shemaroo Bhakti App: a one stop destination for the spiritual and religious needs of all the devotees offering services like Online Pooja and Prasad, Live feed of popular shrines, Devotional Merchandise amongst others. These products were identified and developed based on specific consumer needs to create a unique offering.

Shemaroo plans to increase its B2C presence amongst consumers in the next few years by offering innovative future ready products and services. The company has also embarked on the path to refresh its brand identity and has appointed the globally renowned agency, Ogilvy Advertising to help redesign a compelling new look and feel to make Shemaroo a more relatable name with consumers.



YouTube Views Growth

(Monthly views in lakhs)



OUR POPULAR YOUTUBE CHANNELS

1 Shemaroo Filmigaane

2 Shemaroo Bhakti

3 Shemaroo Ibaadat

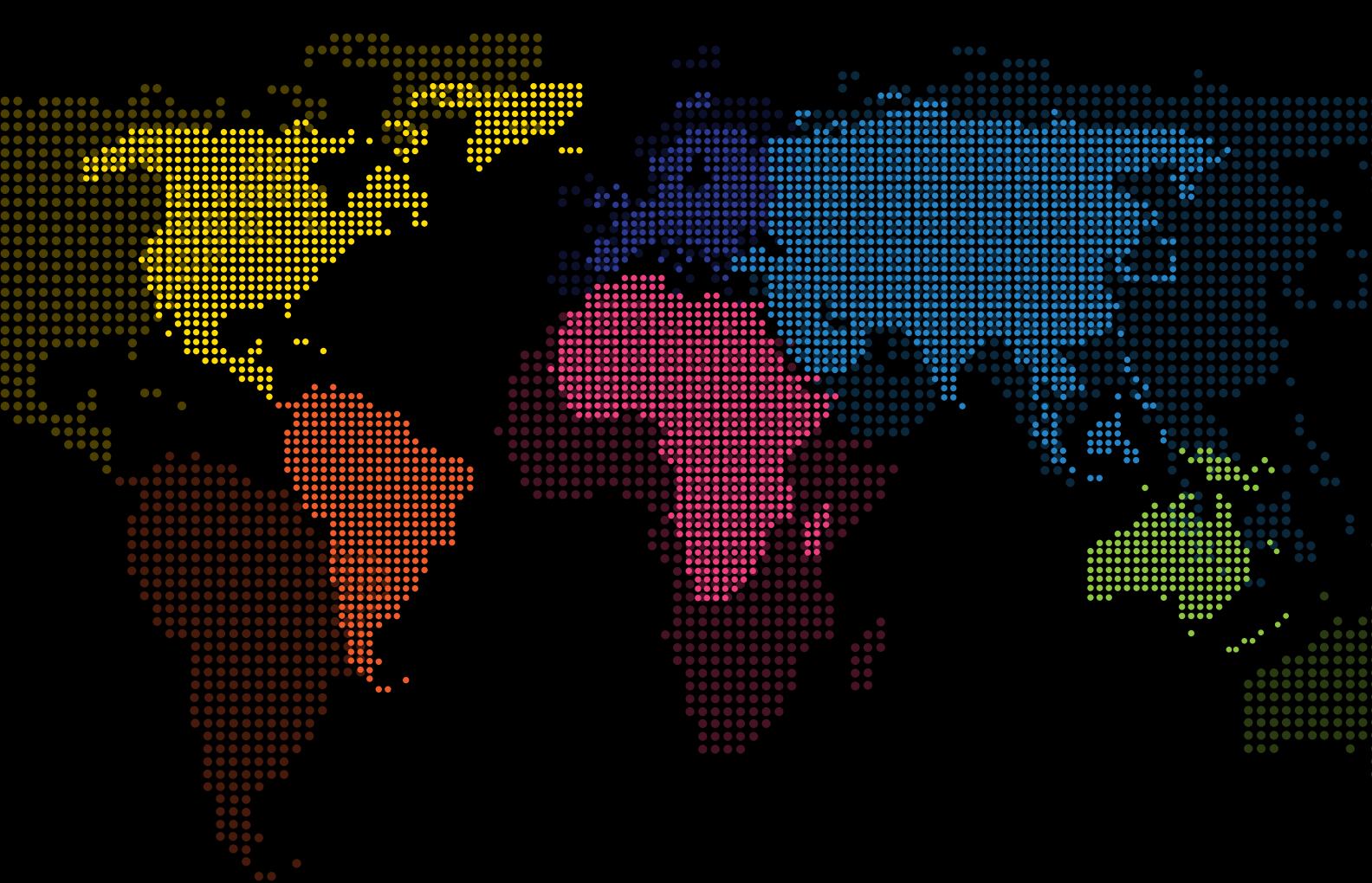
4 Shemaroo Comedy

5 Shemaroo Punjabi

6 Shemaroo Gujarati

7 Shemaroo Kids

8 Shemaroo Lifestyle



CHANGING GEARS BY EXPANDING OUR GLOBAL FOOTPRINT

Shemaroo currently has a content offering in multiple countries, across digital and traditional media platforms. Through its presence on YouTube and relationships with many leading international, traditional and digital platforms across geographies like USA, Europe, South East Asia, Africa, Australia, UAE, etc., the company caters to a variety of audiences in international markets. Shemaroo also provides content to leading airlines across the globe which has helped it to reach out to a wider global audience.

India has one of the highest diaspora populations in the world, who have the willingness to pay for content and yet have limited options. There is also an increasing affinity towards Indian content internationally. Additionally, there is a growing demand for Indian content amongst the non-diaspora population as well. This serves as a great opportunity for Indian players like Shemaroo to take

compelling Indian content to global non-diaspora audiences through subtitling and dubbing as well.

On the back of Shemaroo's ever increasing content library, the company plans to significantly scale up its presence internationally and build significant capacities and resources internally. Shemaroo is also looking to launch innovative B2C offerings in the international markets in the coming years. With a focus on the North American market, the company is set to open an office in USA. The company also sees great potential in bringing international content to India as good quality foreign content popularity will increase through Dubbing and Subtitling.



INTERNATIONAL PRESENCE

USA, Europe, South East Asia, Africa, Australia, UAE, etc.

BOARD OF DIRECTORS

Mr. Buddhichand Maroo - Chairman

He is the founder of Shemaroo Entertainment Limited and has been associated with the company since 1962. He started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. He has an experience of approximately 56 years, out of which, he has been associated with Media and Entertainment Industry for around 35 years.

Mr. Raman Maroo - Managing Director

He has an experience of approximately 44 years, out of which he has spent around 35 years in Media and Entertainment Industry. He has been instrumental in the Group's expansion into television rights syndication as well as the transformation of Shemaroo into an established filmed entertainment content house. He has always remained the driving force in the Company, taking it into new directions.

Mr. Atul Maru - Joint Managing Director

He has around 38 years of experience in the Media and Entertainment industry. He has managed the transition of the Company from VHS days to today's multi-platform operations. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company.

Mr. Hiren Gada - CEO & CFO

He is Whole Time Director of the Company. He has approximately 22 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for around 15 years. He has played an active role in the transformation of Shemaroo from a family-run business to a professionally driven business in terms of systems and processes, best industry practices, etc. He handles the Strategy and Finance functions in the Company. He is a regular speaker at various industry forums and is regularly quoted in media on several issues pertaining to the industry and the Company.

Mr. Jai Maroo - Non Executive Director

He Holds a Masters Degree in Computer Science and Engineering from Pennsylvania State University, U.S.A and a Graduate Degree in Computer Engineering from the University of Mumbai. He has experience in the technology industry in USA and Singapore and approximately 15 years of experience in the Media and Entertainment industry. Given his strong technical background, he has catalysed Shemaroo's expansion on digital distribution platforms such as Mobile, Internet, OTT etc. Currently, he is steering the Organization Transformation & Excellence portfolio for the Company.

Mr. Gnanesh Gala - Independent Director

He has around 35 years of experience in the Educational Publishing Industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 21 years and presently the Managing Director of the said company.

Mr. Vasanji Mamanian - Independent Director

He has around 56 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Nonferrous Metals. He was the Co-Founder of Adlabs. Mr. Mamanian has handled responsibilities ranging from operations to financial planning and engineering inputs in design and processes.

Mr. Shashidhar Sinha - Independent Director

He is a B.Tech from IIT Kanpur and is a post graduate from IIM Bangalore, India. He has over 33 years of experience in media and advertising. He is presently the CEO of Lodestar UM India. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAL's – Indian Broadcasting Federation joint body on industry practices, Audit Bureau of Circulation and the Joint Industry Body set up to monitor TV measurement.

Mr. Kirit Gala - Independent Director

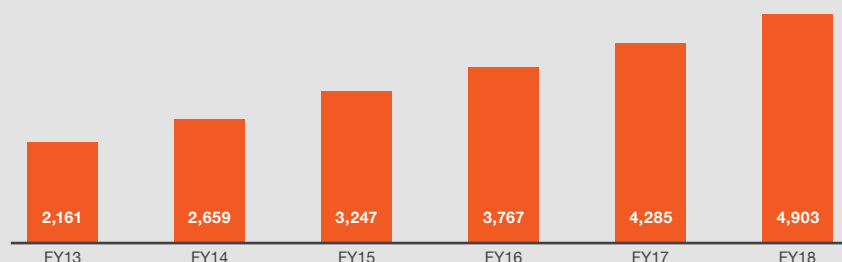
He has completed his Masters in Business Administration and Mechanical Engineering from Mumbai University and has also completed his doctoral research in marketing at Tennessee, U.S.A. He has around 28 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He is better known as a "Marketing wizard" and has already been featured in various leading business magazines for his expertise.

Dr. CA Reeta Bharat Shah - Independent Director

She has over 30 years of experience in the field of education and administration in various capacities. Dr. CA Reeta is a Ph.D. from IIT Bombay, a member of Institute of Chartered Accountants of India, Masters in Philosophy, Masters in Commerce, Masters in Business Administration (HRM), Bachelors of Law (General) and Bachelors of Commerce (Hons.). Dr. CA Reeta is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics.

KEY FINANCIAL HIGHLIGHTS

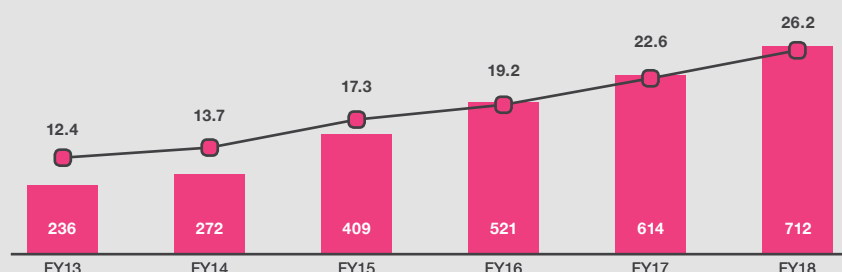
Total Income (INR Mn)



Revenue 5 Year CAGR

17.80%

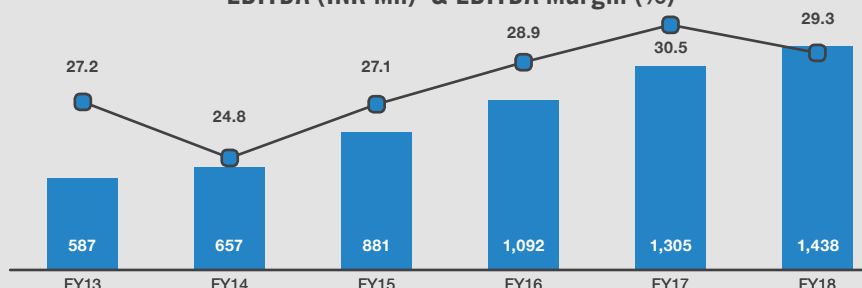
PAT (INR Mn) & EPS



PAT 5 Year CAGR

24.71%

EBITDA (INR Mn) & EBITDA Margin (%)



EBITDA 5 Year CAGR

19.63%

Net Worth (INR Mn) and ROCE (%)



Networth 5 Year CAGR

27.13%

MD'S MESSAGE



Dear Shareholders,

The Financial year 2017-18 was indeed an eventful year for our company. We continued our growth trajectory but focused more on taking decisive strategic initiatives for paving the way for our future.

On the organisational front, I, on the behalf of the entire organization, express profound grief on the sad demise of Mr. Harakhchand Gada, Sr. Vice President – Accounts. He was one of the pillars of the Company and an amazing human being.

We have added significant capacity across various functions by recruiting young talented leaders from varied backgrounds. With a clear focus on strengthening the organisation for the next phase of development, I am also pleased to announce some of the key changes in the Management Team as well. Hiren Gada has been appointed as the Chief Executive Officer (CEO) of the company in addition to his earlier role as the CFO. Kranti Gada has been appointed as the Chief Operating Officer (COO). Jai Maroo will steer the Organization Transformation & Excellence for the Company. I would like to use this platform to congratulate and wish the best to all the new appointees and the new management team. I am confident that they will be able to steer our company to the next level of growth.

On the business front, we had many key achievements this year. Shemaroo won the CMO Asia's Social Media and Digital Excellence Award for the "Best Use of Twitter" for its digital campaign on Twitter, #FilmiGaaneAntakshari. Backed by the 4G revolution and cheaper access to data, we saw the real potential of digital media consumption patterns. We achieved new record highs on our viewership across our YouTube channels, with the monthly views crossing 600 million in March 2018. Also, our flagship channel on YouTube crossed 3 billion cumulative views. We signed content deals with several platforms during the financial year including Etisalat, YuppTV, Vuclip, Spuul, Airtel Wynk Music amongst others.

The rise in Digital Media consumption continued to fuel the growth in our Digital Media business. India is now the 2nd largest smartphone market in the world and more than half the country is expected to have access to affordable broadband by 2021. On the traditional media front, broadcasters' subscription and ad revenue grew by around 10%, driven by several factors such as penetration of regional channels and launch of new channels. Hindi movies, as a genre, commanded the maximum share in terms of ad volume. During the year, we continued to monetise our existing and ever increasing content library on Traditional Media Platforms and launched several ad-free subscription based services on leading DTH platforms across genres like Classic Cinema, Comedy and Regional languages.

Going ahead, the Media and Entertainment sector clearly seems to be on the cusp of an explosive growth in India. At Shemaroo, we are strategically taking the appropriate decisions and measures in "Changing Gears" to cater to this growth story.

Yours Sincerely,
Raman Maroo



**Backed by the 4G revolution
and cheaper access to data,
we saw the real potential
of digital media
consumption patterns**

CEO'S MESSAGE



Dear Shareholders,

It has been an honour and utmost privilege for me to take on the role of Chief Executive Officer. With a young, dynamic and passionate team, I am extremely confident that together we will be able to take the company to new heights. I see the road ahead as one that is ripe with opportunities and I look forward to harvest this to the best of my ability so that all our stakeholders including our employees, can take pride in the business we have built together.

In 2016, the Indian television, film and digital media Industry was at USD 12 billion. It is growing at a CAGR of more than 12% and is expected to add over USD 8 billion by 2020 to reach USD 20 billion. In years to come, I envision a future in which we increase our revenue share pie from the overall media and entertainment industry, enhance our offerings across services and geographies and become market leaders in our areas of operations.

Looking back at the Financial year 2017-18, we continued to grow and explore new avenues for our future growth. Our Revenues grew by 14.4% from the previous year to INR 4,903 Mn, whilst clocking in a 15.8% growth in our profitability vis-à-vis last year at INR 712 Mn.

Our exhaustive library of films has been built purely out of our passion of the media industry and to bridge the gap between the content creators and consumers. With our strong content library of over 3,700 titles, we can cater to the consumption needs of any user through any medium at any time. We have today become an entrenched player not only in the traditional media space but also in the digital media eco-system. We are very optimistic of the growth potential of digital media and believe that we are strategically well placed to capitalize on it in the coming years by offering innovative content and services to consumers.

We will continue to focus on the growing categories like regional, devotion, kids etc. and will widen and deepen our presence on existing and emerging platforms. India is a heterogeneous market with varied tastes and preferences. There are multiple consumer segments or niches which are currently underserved or not addressed at all. As the overall Media & Entertainment industry grows, these niches will also grow and become economically viable and addressable. This will open up a plethora of opportunities for a company like ours. Additionally, we see growing opportunities across the world to monetise our content. We plan to increase our content and service offering globally, catering to the varied tastes and preferences of Indian Diaspora and multicultural audiences across geographies and platforms.

While we have seen great success, we are hungry to do more. Our industry does not respect tradition, it only respects innovation. We are in essence going to be 'Changing Gears' in order to target a growth of **5X in 5 Years**.

Yours Sincerely,
Hiren Gada



In 2016, the Indian television, film and digital media Industry was at USD 12 billion. It is growing at a CAGR of more than 12% and is expected to add over USD 8 billion by 2020 to reach USD 20 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF ECONOMY



GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performances in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest in seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook. (Source: IMF and OECD).

INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually

recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020. (Source: OECD and Economic Times)

Fiscal deficit for 2017-18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 inspite of transformation in the economy. In addition to initiatives like; "Make in India", "Housing for All", "Digital India" government has also introduced "Sagar Mala" and "Bharat Mala" initiatives which is expected to boost the domestic growth of the country. (Source: IBEF and Trading Economics)

MEDIA & ENTERTAINMENT INDUSTRY

The Indian M&E sector reached INR1.5 trillion (USD 22.7 billion) in 2017, a growth of almost 13 percent over 2016. With its current trajectory, it is expected to cross INR2 trillion (USD 31 billion) by 2020, at a CAGR of 11.6 per cent. The M&E industry continues to perform along with the Indian economy, which is a reflection of the growing disposable income led by stable economic growth. Per capita GDP is growing at over 6 per cent since 2012, and this has led to increased spends by consumers. The overall increased need for escapism is enabling a situation where subscription revenues are not being impacted by economic shifts and slowdowns, as was seen in 2017. The quality of subscription revenues is high, and will provide a stable source of income growth till 2020. Ad revenues will increase from 0.41 per cent of GDP in 2016 to 0.43 per cent of GDP in 2020.

The Indian Media and entertainment industry size and projections:

Segment	CY2016	CY2017	CY2018E	CY2020E	CAGR 2016-20
Television	594	660	734	862	9.8%
Print	296	303	331	369	5.7%
Filmed entertainment	209	224	243	263	7.0%
Digital media	92	119	151	224	24.9%
Animation and VFX	54	67	80	114	20.4%
Live events	56	65	77	109	18.0%
Online gaming	26	30	40	68	27.5%
Out Of Home media	32	34	37	43	7.7%
Radio	24	26	28	34	8.6%
Music	12	13	14	18	10.6%
Total	1,308	1,473	1,660	2,032	11.6%

(Gross of taxes, INR billion)

Source: EY - Reimagining India's M&E Sector

In 2016, the Indian television, film and digital media Industry was valued at INR 808 billion. It is growing with a CAGR of more than 12% and is expected to reach INR 1,278 billion by 2020. The addition of over INR 470 billion by these 3 segments is expected to transform the way the content is produced, delivered and accessed by the consumers leading to an exponential growth in value creation for the entire ecosystem.

It is estimated that there are around 1 to 1.5 million digital only consumers in India in 2017, who would not normally use traditional media, and this customer base is expected to grow to around 4 million by 2020, and generate significant digital subscription revenues for the M&E sector.

Consumers, who have at least one OTT subscription and Pay TV subscription and/or are driven by sachet pricing of content, would provide a high volume-lower value subscription base to content distributors. This segment could, on the back of digital and micro payment systems being rolled out in the country, reach as high as 20 million households from 6 million in 2017.

Mass consumers would form the largest segment of the M&E sector in 2020. These consumers would consume traditional media (either pay or free) and free OTT content, on the back of falling data charges and growing free Wi-Fi access. These consumers are expected to cross 500 million by 2020 from around 200 million in 2017.

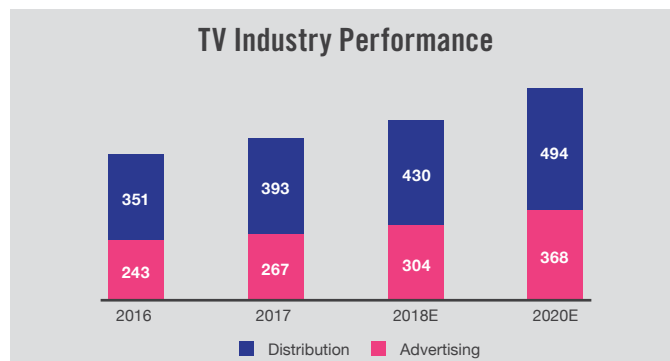
The Media and Entertainment sector grows with the economy although at a higher pace, and its medium-term outlook is bright. The medium-term outlook for the economy will have a positive effect on India's M&E industry as advertisements account for around 50% of revenues. More so, export-led entertainment companies are expected to gain from global growth. Largely driven by sentiment, ad spends by companies are expected to increase in FY 19 and beyond. A booming economy witnesses higher spending of various industries on advertisement as sales grow. India is witnessing a massive shift in the consumption pattern and in the next 5 years, 75% of new internet users from small towns and villages are expected to consume content in local languages. This will dramatically change the way content is created and distributed.

GST impact on M&E Industry

Increase in tax rates will lead to an increase in working capital but the impact of it will be marginalized as the credit of taxes would be available to film producers and broadcasters. Entertainment tax to be subsumed in the GST and this would create a uniform tax rate regime across all states and will also reduce the tax burden.

TRADITIONAL MEDIA

The TV industry grew from INR 594 billion in 2016 to INR 660 billion in 2017, a growth of 11.2%. Advertising grew by around 10% INR 267 billion in 2017 (INR 243 billion in 2016) while distribution grew by around 12% to INR 393 billion (INR 351 billion). Advertising comprised around 40% of revenues, while distribution was around 60% of total revenues in 2017. At a broadcaster level, however, subscription revenues made up approximately 28% of revenues.



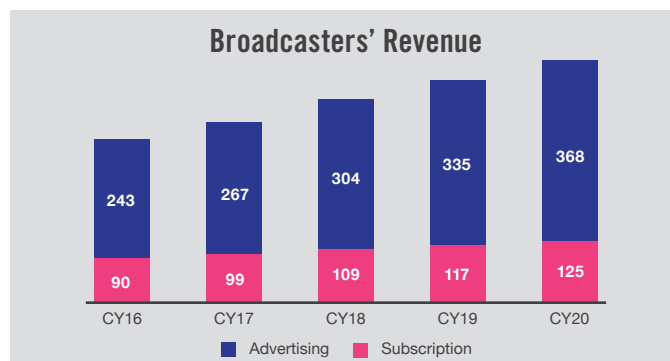
*Gross of taxes INR (In Billion)

Source: EY - Reimagining India's M&E Sector

There are several households in India (over 30%), which are yet to get television screens, but, being bottom of the pyramid households, would tend to move first towards free and sachet products.

In 2017, the number of advertisers on TV grew to 12,964 and ad volumes grew to 70 million insertions, as reported by BARC. Ad revenue growth was largely driven by volume growth as more channels were launched, particularly in the free to air genre.

Broadcasters' subscription revenue increased from INR 90 billion in 2016 to INR 99 billion in 2017. The growth in subscription income was a result of long term contracts with escalation clauses, digitization of TV households and increased transparency.



Source: EY - Reimagining India's M&E Sector

International subscription revenues remained stable, and accounted for around INR 20 billion in revenues in 2017. (Source: Industry discussions, EY analysis).

Of the estimated 286 million households in India, TV penetration reached 64% taking the total number of TV viewing household to 183 million in 2017, which is a 3.5% growth over 2016. This accounted for approximately 780 million viewers. 83% of the total TV households were paying households.

The top 10 channel genres accounted for 47% of total ad volumes. Of these, 30% of all ad volumes were on Hindi channels, while the balance 17% were from Tamil, Telugu and Bangla. Hindi movies as a genre had the most advertisements, assisted by the launch of several free to air movie channels on DD Free Dish.

Regional channels are outpacing many other genres in terms of growth and all large broadcasters have or are planning to enhance their regional channel bouquets. Most are entering markets not with just a GEC, but with a combined offering across entertainment, movies, kids and / or music.

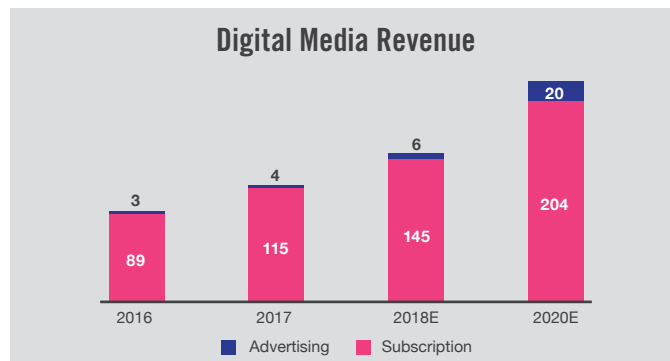
HD subscribers are estimated to have crossed 10 million households on the back of digitization. HD audiences contribute to higher revenues for distribution companies due to premium pricing.

DIGITAL MEDIA



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

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



INR billion (gross of taxes)

Source: EY - Reimagining India's M&E Sector

In 2017, digital media grew 29.4 % on the back of a 28.8% growth in advertising and a 50% growth in subscription. Subscription, which was just 3.3% of total digital revenues in 2016, is expected to grow to 9% by 2020.

Digital infrastructure

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

Smartphone uptake was significant

The Indian smartphone market witnessed a healthy 14% annual growth with a total shipment of 124 million units in 2017, making it the fastest growing market amongst the top 20 smartphone markets globally. One of the key events of 2017 was the launch of low-cost smartphones. Jio launched smartphones costing INR 1,500, and Airtel announced a smartphone priced around INR 2000 - 2500. These devices come with bundled data plans, as well as Wi-Fi connectivity, and will enable deeper penetration of internet services and digital media.

4G networks grew

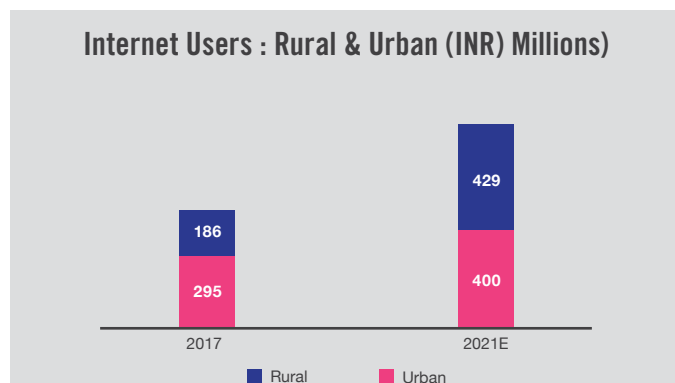
The adoption of 4G is gradually increasing and now 3G and 4G constitute over 75% of the overall wireless internet user base. The year 2016 witnessed 62% growth in mobile broadband speed to reach 4.1 mpbs, which further increased to 8 mpbs by end of 2017.

Data charges fell significantly

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

Internet users grew

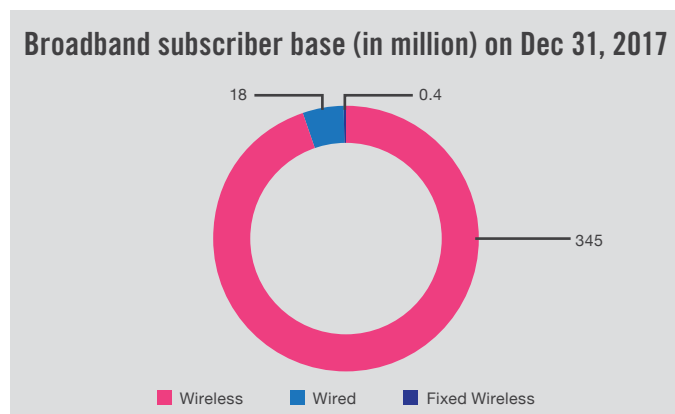
The growth of connectivity resulted in the proportionate growth of internet users to 481 million in 2017, of which 295 million were in urban areas and 186 million in rural areas. Approximately 30% were female users. Internet users are expected to cross 500 million in 2018 and reach 829 million by 2021.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



Source: EY - Reimagining India's M&E Sector

Broadband subscriber base grew

The broadband subscriber base improved significantly in 2017 to reach 363 million. The growth was led by Jio's rollout and a corresponding fall in data charges it triggered.

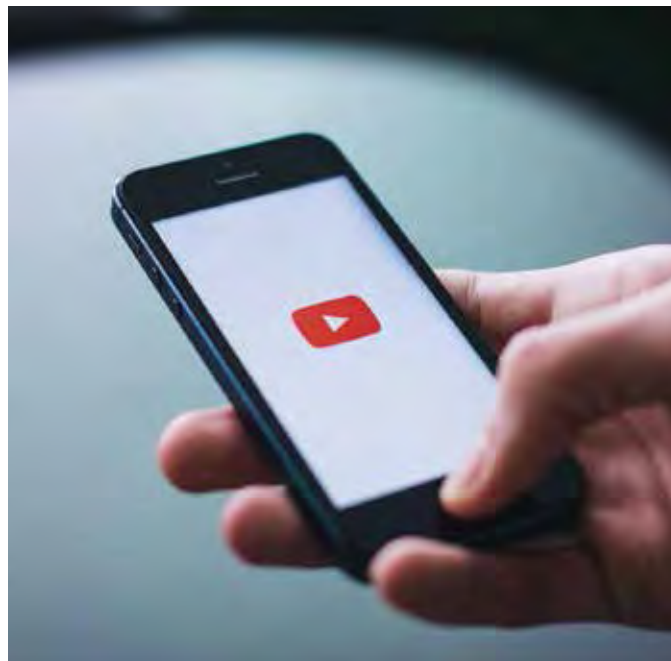


Source: EY - Reimagining India's M&E Sector

Online Video viewership grew

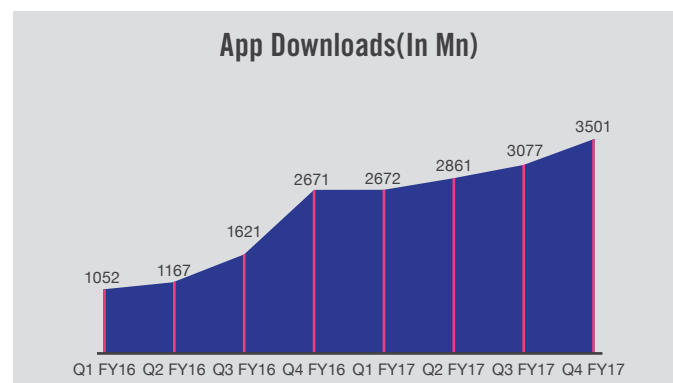
Approximately 250 million people viewed videos online in 2017, a growth of 64% over 2016. This number is expected to double to 500 million by 2020. Consumers have shown increased preference toward short-form content, with the average length of a video viewed in India being around 20 minutes. In addition,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

Trends in online searches in India suggest that entertainment is becoming the largest sought after category, contributing to 31% of all searches. Videos and music currently represent the highest proportion of the consumer preferences within the entertainment category, collectively aggregating over 90%. However, searches for non-entertainment content are also increasing. Areas such as lifestyle, education and business have shown a 1.5x to 3x growth over the last two years.



The Indian App Story

App downloads in India witnessed a 65% growth with the Introduction of Jio in Q4 2016.



Source: EY - Reimagining India's M&E Sector

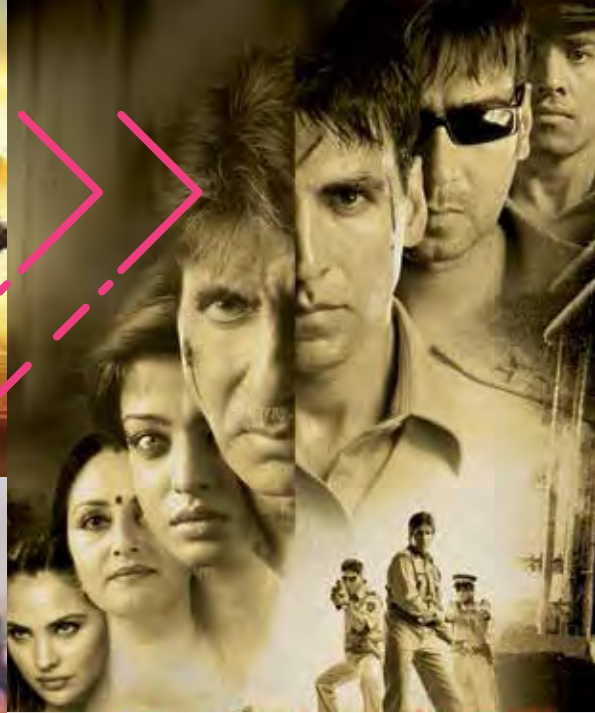
Entertainment apps grew 120% in 2017 and made up the 4th largest category. In the end, audience is the ultimate consumer in this industry and therefore films, advertisements, music and all the products of entertainment sector are based on the tastes and preferences of the audiences of the nation.

OUTLOOK

The theme of our annual report titled '**Changing Gears**' is with the outlook to grow exponentially from here and increase our domestic and global presence. We have been successfully expanding our content library in diversified categories like regional, devotion, kids, comedy etc. In our quest to grow rapidly in the next few years, we will expand our boundaries to create premium experiences for the consumers.

The Media & Entertainment industry has seen influx of new broadcasters and advent of digital media platforms post internet boom and cable digitization which has led to a large addressable base consuming entertainment content. We believe that we are one of the largest beneficiaries of this new digital phase of the industry. Our focus will always be to innovate our product offerings and continue to partner with newer players. The industry is expected to grow at a fast pace and we are once again ready to outpace the industry by '**Changing Gears**'.

The company's operations involve the distribution and monetization of our 3,700+ strong content library across Traditional Media, which includes Television (Satellite, Terrestrial and Cable Television), & other traditional media and Digital Media, which includes Mobile, Internet, OTT etc.



CAUTIONARY STATEMENT

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

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

BOARD'S REPORT

Dear Shareholders,

Your Directors take pleasure in submitting their 13th Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2018.

1. FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Current year 2017-2018	Previous year 2016-2017
Total Income	47,871	41,953
Total expenditure	37,248	32,337
Profit Before Taxation	10,623	9,616
Tax Expenses	3,674	3,421
Profit After Taxation	6,949	6,194
Other Comprehensive Income	41	(21)
Total comprehensive income for the year	6,990	6,174
Less: Appropriations		
General Reserve	-	-
Final Dividend [^] (including Dividend Distribution Tax)	458	458
Balance carried to the Balance Sheet	30,689	24,198

*Final dividend for the year 2017 Rs.1.40 per equity share of Rs. 10 each.

**Final dividend for the year 2016 Rs. 1.40 per equity share of Rs. 10 each.

The Company has adopted "Ind AS" with effect from April 01, 2017. Financial statements for the year ended and as at March 31, 2017 re-stated to conform to Ind AS. Note 27 to the standalone financial statement provide further explanation on the transition to Ind AS.

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Standalone Revenue from Operations & Other Income increased to Rs.47,871 Lakhs as against Rs.41,953 Lakhs in the previous year and the Consolidated Revenue from Operations & Other Income increased to Rs. 49,036 Lakhs as compared to Rs. 42,853 Lakhs in the previous year.

Your Company had a standalone growth with a Net Profit after tax of Rs. 6,949 Lakhs as compared to the Net Profit after tax of Rs. 6,194 Lakhs in the previous financial year and a consolidated growth with a Net Profit after tax of Rs. 7,153 Lakhs as compared to the Net Profit after tax of Rs. 6,185 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. SUBSIDIARIES AND ASSOCIATE COMPANIES

The Company has 5 subsidiaries and 1 associate company as on March 31, 2018. 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, 2018, the Company does not have any material subsidiary companies as defined in the SEBI Listing Regulations. The Policy for determining Material Subsidiaries of the Company is available on the Company website at www.shemarooent.com under Investors section.

4. MANAGEMENT DISCUSSION AND ANALYSIS

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

5. DIVIDEND

Your Directors recommend payment of Rs.1.55 per fully paid-up equity shares of Rs. 10 each (i.e. 15.50% of the paid-up equity share capital of Company) as final dividend for the financial year 2017-18, for approval of shareholders at the ensuing AGM.

The final dividend on equity shares, if approved by the shareholders would involve a cash outflow on account of Rs.507.92 Lakhs including dividend distribution tax.

6. TRANSFER TO RESERVE

The Company proposes to retain the entire amount of Rs. 6,990 Lakhs in the profit and loss account.

7. 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.

8. 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.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

10. CREDIT RATING

CARE continued to reaffirm their rating of "CARE A; Stable" and "IND A/S table" respectively, for Long Term Bank Facilities of Rs. 159.95 crore.

11. 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.

12. 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, 2018, 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, 2018 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, 2018 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.

13. BAORD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**a. Directors**

During the year under review, on the recommendation of the Nomination and Remuneration Committee the Board of Directors of the Company at its meeting held on March 20, 2018 appointed Mr. Hiren Gada, a Whole Time Director & CFO as Chief Executive Officer (CEO) and re-designated as CEO & CFO of the Company with effect from March 20, 2018.

Mr. Buddhichand Maroo (DIN: 00169319), Director on the Board, is liable to retire by rotation at the 13th Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. His re-appointment is being placed for your approval at the AGM. Your Directors recommend his re-appointment as the Non-Executive Director of your Company.

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

b. Key Managerial Personnel

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

- | | |
|------------------------|---|
| i. Mr. Raman Maroo | – Managing Director |
| ii. Mr. Atul Maru | – Jt. Managing Director |
| iii. Mr. Hiren Gada | – CEO & CFO |
| iv. Mr. Dipesh Gosar | – Company Secretary & Compliance Officer |
| v. Ms. Smita Maroo | – Sr. VP - Animation, Kids Digital, L&M |
| vi. Ms. Kranti Gada | – Chief Operating Officer |
| 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 6 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 five members. The Chairman of the Committee is an Independent Director. The Committee met five 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.

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

A resolution seeking ratification of their appointment forms part of the notice convening the 13th Annual General Meeting and the same is recommended for your consideration and approval.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no 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

Pursuant to the provisions of Section 204 of the Act read with rules framed thereunder, the Company has appointed M/s. Manish Ghia & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is given as an annexure to this report.

There are no qualifications or reservations or adverse remarks in the Report issued by them for the financial year 2017-18 which may call for any explanation from the Board of Directors.

15. RELATED PARTY CONTRACTS OR ARRANGEMENTS

All Related Party Transactions executed in financial year 2017-18 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.

16. 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.

14. AUDITORS AND AUDITORS REPORT**a. Statutory Auditors**

M/s. M. K. Dandekar & Co., Chartered Accountants (ICAI Firm Registration No. 000679S), were appointed as Statutory Auditors for a term of 5 years at the 11th Annual General Meeting of the Company held on 26th September, 2016, subject to ratification of their appointment at every subsequent Annual General Meeting.

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.

17. 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.

18. 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 2017-2018.

19. 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.

20. 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, 2018 are as follows:

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

21. 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.

22. 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 28.2 of the Standalone Financial Statements forming part of this Report.

23. 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 2017-18 is 492.

24. SEXUAL HARASSMENT

The Company has in place policy for the prevention of sexual harassment at workplace in line with the requirements of the Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review no complaints were received in regards to sexual harassment.

25. 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 2017-18 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.

26. 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.

27. 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 for 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/-	sd/-
Raman Maroo	Atul Maru
Managing Director	Jt. Managing Director
DIN: 00169152	DIN: 00169264

Mumbai
May 15, 2018

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2017

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

I REGISTRATION & OTHER DETAILS

i	CIN	L67190MH2005PLC158288
ii	Registration Date	December 23, 2005
iii	Name of the Company	Shemaroo Entertainment Limited
iv	Category/Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
v	Address of the Registered office & contact details	Shemaroo House, Plot No. 18, Marol Co-op Industrial Estate, Andheri Kurla Road, Andheri (E), Mumbai – 400 059 Tel no.: +91-22- 40319911; Fax: +91-22-40319794
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Pvt. Ltd. Unit: Shemaroo Entertainment Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083. Tel No.: - 022- 4918600; Fax: 022 - 49186060

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Motion picture, video and television programme distribution activities	5913	99.10%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**(i) Category-wise shareholding:**

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
(a)	Individual/HUF	16069080	0	16069080	59.12	16069080	0	16069080	59.12	0.00
(b)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (1)	16069080	0	16069080	59.12	16069080	0	16069080	59.12	0.00
(2)	Foreign									
(a)	Individuals (NRI / Others)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporates	1822840	0	1822840	6.71	1822840	0	1822840	6.71	0.00
(c)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (2)	1822840	0	1822840	6.71	1822840	0	1822840	6.71	0.00
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	17891920	0	17891920	65.82	17891920	0	17891920	65.83	0.00
B	PUBLIC SHAREHOLDING									
(1)	Institutions									
(a)	Mutual Funds	487408	0	487408	1.79	195000	0	195000	0.72	-1.08
(b)	Banks / Financial Institutions	7809	0	7809	0.03	4839	0	4839	0.02	-0.01
(c)	Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.0	0	0	0	0.00	0.00
(f)	Foreign Portfolio Investor	4011536	0	4011536	14.76	4310293	0	4310293	15.86	1.10
(g)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1):	4506753	0	4506753	16.58	4510132	0	4510132	16.59	0.01
(2)	Non Institutions									
(a)	Bodies corporates	1033175	0	1033175	3.80	1075146	0	1075146	3.96	0.15
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakhs	1663392	1	1663393	6.12	1586505	1	1586506	5.84	-0.28
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1334376	0	1334376	4.91	1648530	0	1648530	6.06	1.16
(c)	Others (specify)									
(i)	Directors / Relative	50636	0	50636	0.19	50636	0	50636	0.19	0.00
(ii)	Trusts	10000	0	10000	0.04	6233	0	6233	0.02	-0.01
(iii)	Hindu Undivided Family	119859	0	119859	0.44	89717	0	89717	0.33	-0.11
(iv)	Clearing Member	301596	0	301596	1.11	20708	0	20708	0.08	-1.03
(v)	Office Bearers	14943	0	14943	0.06	14943	0	14943	0.06	0.00
(vi)	Non Resident Indians	204952	50636	255588	0.94	237132	50636	287768	1.06	0.12
	SUB TOTAL (B)(2):	4732929	50637	4783566	17.60	4729550	50637	4780187	17.59	-0.13
	Total Public Shareholding(B)= (B)(1)+(B)(2)	9239682	50637	9290319	34.18	9239682	50637	9290319	34.18	-0.12
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	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- 01.04.2017			Shareholding at the end of the year - 31.03.2018			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Buddhichand Maroo	3575320	13.15	0	3575320	13.15	0	0.00
2	Raman Maroo	4809520	17.69	0	4809520	17.69	0	0.00
3	Atul Maru	4809520	17.69	0	4809520	17.69	0	0.00
4	Hiren Gada	1093680	4.03	0	1093680	4.03	0	0.00
5	Jai Maroo	1234200	4.54	0	1234200	4.54	0	0.00
6	Technology and Media Group Pte Limited	1822840	6.71	0	1822840	6.71	0	0.00
7	Kranti Gada Arambhan	546840	2.01	0	546840	2.01	0	0.00
	Total	17891920	65.82%	0	17891920	65.82%	0	0.00

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2017		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2018	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	Buddhichand Maroo	3575320	13.15	01/04/2017			3575320	13.15
				31/03/2018			3575320	13.15
2	Raman Maroo	4809520	17.69	01/04/2017			4809520	17.69
				31/03/2018			4809520	17.69
3	Atul Maru	4809520	17.69	01/04/2017			4809520	17.69
				31/03/2018			4809520	17.69
4	Hiren Gada	1093680	4.03	01/04/2017			1093680	4.03
				31/03/2018			1093680	4.03
5	Jai Maroo	1234200	4.54	01/04/2017			1234200	4.54
				31/03/2018			1234200	4.54
6	Technology and Media Group Pte Ltd	1822840	6.71	01/04/2017			1822840	6.71
				31/03/2018			1822840	6.71
7	Kranti Gada Arambhan	546840	2.01	01/04/2017			546840	2.01
				31/03/2018			546840	2.01

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2017		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2018	
		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	01/04/2017			2614000	9.62
				31/03/2018			2614000	9.62
2	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	643250	2.37	01/04/2017			643250	2.56
				12/05/2017	51991	Purchase	695241	2.56
				02 /06/2017	3665	Purchase	698906	2.57
				09 /06/2017	57476	Purchase	756382	2.78
				16 /06/2017	49362	Purchase	805744	2.96
				23/06/2017	15074	Purchase	820818	3.02
				30/06/2017	17304	Purchase	838122	3.08
				07/07/2017	11981	Purchase	850103	3.13
				14/07/2017	131816	Purchase	981919	3.61
				21/07/2017	58168	Purchase	1040087	3.83
				28/07/2017	8794	Purchase	1048881	3.86
				04/08/2017	104694	Purchase	1153575	4.24
				11/08/2017	6718	Purchase	1160293	4.27
				18/08/2017	29231	Purchase	1189524	4.38
				29/12/2017	(943)	Sale	1188581	4.37
				05/01/2018	(12073)	Sale	1176508	4.33
				12/01/2018	(16129)	Sale	1160379	4.27
				09/03/2018	(241360)	Sale	919019	3.38
				31/03/2018			919019	3.38
3	FIDELITY ASIAN VALUES PLC	318068	1.17	01/04/2017			318068	1.17
				02/06/2017	931	Purchase	318999	1.17
				09/06/2017	9539	Purchase	328538	1.21
				16/06/2017	7543	Purchase	336081	1.24
				23/06/2017	6500	Purchase	342581	1.26
				30/06/2017	7591	Purchase	350172	1.29
				07/07/2017	8616	Purchase	358788	1.32
				14/07/2017	49252	Purchase	408040	1.50
				21/07/2017	26790	Purchase	434830	1.60
				28/07/2017	4693	Purchase	439523	1.62
				04/08/2017	39462	Purchase	478985	1.76
				11/08/2017	3353	Purchase	482338	1.77
				18/08/2017	9733	Purchase	492071	1.81
				29/12/2017	(737)	Sale	491334	1.81
				05/01/2018	(5183)	Sale	486151	1.79
				12/01/2018	(5520)	Sale	480631	1.77
				09/03/2018	(95178)	Sale	385453	1.42
				31/03/2018			318068	1.17
4	TATA INVESTMENT CORPORATION LIMITED	400000	1.47	01/04/2017			400000	1.47
				23/02/2018	(25000)	Sale	375000	1.38
				31/03/2018			375000	1.38
5	SURESH KUMAR AGARWAL	0	0.00	01/04/2017			0	0.00
				23/02/2018	25000	Purchase	25000	0.09
				09/03/2018	337254	Purchase	362254	1.33
				31/03/2018			362254	1.33

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2017		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year - 31.03.2018	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
6	KITARA INDIA MICRO CAP GROWTH FUND	313384	1.15	01/04/2017			313384	1.15
				31/03/2018			313384	1.15
7	SNEHAL BHUPENDRA SHAH	195000	0.72	01/04/2017			195000	0.72
				31/03/2018			195000	0.72
8	NEW HORIZON WEALTH MANAGEMENT PVT. LTD	160000	0.59	01/04/2017			160000	0.59
				31/03/2018			160000	0.59
9	UNION SMALL CAP FUND	238000	0.88	01/04/2017			238000	0.88
				05/05/2017	2000	Purchase	240000	0.88
				14/07/2017	(40000)	Sale	200000	0.74
				15/09/2017	30000	Purchase	230000	0.85
				20/10/2017	(10000)	Sale	220000	0.81
				12/01/2018	(10000)	Sale	210000	0.77
				19/01/2018	(5000)	Sale	205000	0.75
				09/02/2018	(10000)	Sale	195000	0.72
				31/03/2018			195000	0.72
10	MADHAV BHATKULY	135800	0.50	01/04/2017			135800	0.50
				31/03/2018			135800	0.50

Note: Top ten shareholders of the Company as on March 31, 2018 has been considered for the above disclosure.

(v) Shareholding of Directors & KMP

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	BUDDHICHAND MAROO	3575320	13.51	01/04/2017			3575320	13.51
				31/03/2018			3575320	13.51
2	RAMAN MAROO	4809520	17.69	01/04/2017			4809520	17.69
				31/03/2018			4809520	17.69
3	ATUL MARU	4809520	17.69	01/04/2017			4809520	17.69
				31/03/2018			4809520	17.69
4	HIREN GADA	1093680	4.03	01/04/2017			1093680	4.03
				31/03/2018			1093680	4.03
5	JAI MAROO	1234200	4.54	01/04/2017			1234200	4.54
				31/03/2018			1234200	4.54
6	KRANTI GADA ARAMBHAN	546840	2.01	01/04/2017			546840	2.01
				31/03/2018			546840	2.01

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding at the end of the year	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
7	VASANJI MAMANIA	50636	0.18	01/04/2017			50636	0.18
				31/03/2018			50636	0.18
8	VINOD KARANI	12039	0.04	01/04/2017			12039	0.04
				31/03/2018			12039	0.04
9	KETAN MARU	20	0.00	01/04/2017			20	0.00
				31/03/2018			20	0.00
10	HEMANT KARANI	140	0.00	01/04/2017			140	0.00
				31/03/2018			140	0.00
11	HARAKHCHAND GADA	2741	0.01	01/04/2017			2741	0.01
				31/03/2018			2741	0.01
12	DIPESH GOSAR	3	0.00	01/04/2017			3	0.00
				31/03/2018			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 01.04.2017)				
i) Principal Amount	16,610.10	12,795.57		29,405.67
ii) Interest due but not paid	32.42	207.82		240.24
iii) Interest accrued but not due		4.36		4.36
Total (i+ii+iii)	16,642.52	13,007.75	-	29,650.27
Change in Indebtedness during the financial year				
Additions	199.52	5,119.76		5,319.29
Reduction	3,982.60	10,895.14		14,877.70
Net Change	(3783.07)	(5,775.38)	-	(9,558.45)
Indebtedness at the end of the financial year (As on 31.03.2018)				
i) Principal Amount	12,859.45	7,232.37	-	20,091.82
ii) Interest due but not paid		-		-
iii) Interest accrued but not due	20.03	-		20.02
Total (i+ii+iii)	12,879.48	7,232.37	-	20,111.84

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WT/Manager			Total Amount
		Raman Maroo	Atul Maru	Hiren Gada	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	41.91	41.91	31.91	115.72
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.40	0.40	0.40	1.19
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others	0.22	0.22	0.22	0.65
	TOTAL (A)	42.52	42.52	32.52	117.56
	Ceiling as per Section 198 of the Companies Act, 2013	Rs. 1074.02 Lakhs (being 10% of Net Profits of the Company)			

B. Remuneration to other directors:**(Rs in Lakhs)**

Sr. No.	Particulars of Remuneration	Fee for attending board meetings	Commission	Others	Total Amount
1	Independent Directors				
	Gnanesh Gala §	-	-	-	-
	Kirit Gala §	-	-	-	-
	Reeta Shah	1.00	-	-	1.00
	Shashidhar Sinha	0.80	-	-	0.80
	Vasanji Mamanian	1.00	-	-	1.00
	Total (1)	2.80	-	-	2.80
2	Other Non Executive Directors				
	Buddhichand Maroo	1.00	-	-	1.00
	Jai Maroo	1.20	-	-	1.20
	Total (2)	2.20	-	-	2.20
	Total (B)=(1+2)	5.00			5.00
	Ceiling as per Section 198 of the Companies Act, 2013	Rs.10.74 Lakhs (being 1% of Net Profits of the Company)			

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(Rs. in Lakhs)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel									Total
		Hemant Karani	Vinod Karani	Ketan Maru	Harakhchand Gada	Bipin Dharod	Dipesh Gosar	Smita Maroo	Kranti Gada	Mansi Maroo	
1	Gross Salary										
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	53.83	122.06	37.13	21.93	31.23	11.75	28.58	17.50	3.98	328.00
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.45	0.40	0.24	0.40	-	0.40	-	0.40	2.67
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-	-	-	-
5	Others	1.17	1.94	0.87	0.43	0.77	0.45	0.91	0.62	0.31	7.46
	Total	55.40	124.45	38.40	22.60	32.40	12.20	29.88	18.12	4.69	338.13

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018

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 2017-18 is as follows:

(Rs. in lakhs)

Sr. No.	Name	Total Remuneration for financial year 2017-18	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Buddhichand Maroo Chairman & Non-Executive Director	-	-	-
2.	Raman Maroo Managing Director	42.52	0.02	9.97
3.	Atul Maru Joint Managing Director	42.52	0.02	9.97
4.	Hiren Gada Chief Executive Officer & Chief Financial Officer	32.52	0.03	7.62
5.	Jai Maroo* Non-Executive Director	-	-	-
6.	Gnanesh Gala* Independent Director	-	-	-
7.	Kirit Gala* Independent Director	-	-	-
8.	Vasanji Mamania* Independent Director	-	-	-
9.	Shashidhar Sinha* Independent Director	-	-	-
10.	Reeta Shah* Independent Director	-	-	-
11.	Dipesh Gosar Company Secretary & Compliance Officer	12.20	^	2.86

^ Remuneration not comparable as he was in office for part of the year 2016-2017.

* 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.

- B. The median remuneration of employees of the Company during the financial year was Rs. 426562**
- C. The percentage increase in the median remuneration of Employees for the financial year was 15.27%.**
- D. There were 492 permanent employees on the rolls of Company as on March 31, 2018.**
- E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase in the salaries of employees other than Managerial Personnel was 18.87% whereas the increase in the Managerial Remuneration was 5.00%. Remuneration increase is dependent on the Company's performance as a whole, individual performance level and also market benchmarks.

- F. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR THE FINANCIAL YEAR 2017-2018

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.	"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. The thrust areas of the Company's CSR activities are as under: 1. Livelihood security and enhancement 2. Education 3. Healthcare and Social welfare 4. Arts/Sports and culture The above areas are mapped with the activities as prescribed in Schedule VII of the Companies Act, 2013 in the Annexure. 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"
2	The Composition of the CSR Committee	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 8209.55 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 164.19 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 165.72 Lakhs - Attached
6	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of your Company.

Raman Maroo
Managing Director
DIN: 00169152

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

Place: Mumbai
Date: May 15, 2018

C Manner in which the amount spent during the financial year

(Rs in Lakhs)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local Area or other 2. Specify the state where project was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through implementing agency*
1	School Support Programs like providing benches & desks, potable water facility, providing scholarships, vocational training, and promoting education to girl child & also to differently abled.	Improving & Promoting Quality Education	Mumbai (Maharashtra), Mandavi, Bhuj (Kutch), Coimbatore (Tamil Nadu),	34.26	34.26	34.26	Indirect
2	Health awareness camp - for organising Blood Donation camp, health check-up for poor people, providing free medicines, drinking water supply, supplementing efforts of hospitals through a range of patient welfare services, infrastructure support for cancer diagnosis, aiding medical research & construction of sanitary facilities viz., toilets, etc.	Health care, Hygiene & Medical Facilities	Mumbai, Nasik (Maharashtra), Mandavi (Kutch),	34.31	34.31	34.31	Indirect
3	Promoting gender equality, empowering women, support to old age homes, orphanages, addressing poverty, hunger and malnutrition, support to rural cultural programmes, Festivals & Melas.	Rural Transformation & Protection of natural heritage, art & culture	Mumbai (Maharashtra), Mandavi, Bhuj (Kutch), Ahmedabad (Gujarat)	97.15	97.15	97.15	Indirect

* Details of implementing agency:

1. Isha Foundation, 2. Jeevan Jyot Cancer Relief & Care Trust, 3. K V O Mitra Mandal, 4. Kutch Mahila Vikas Sangathan, 5. Kutch Yuvak Sangh, 6. Bharatiya Vidya Bhavan, 7. Matushri Manibai Shivji Devjee Kanya Kelavani Fund, 8. Shri Kalyanji Thakershi & Sons Jain Vidya Niketan, 9. Shree K.V.O.Jain Mahajan Mumbai, 10. SMT.Kamla Mehta Dadar School For The Blind, 11. Sri Lakshmi Narasimha Jayanti Bhagavata Mela Natya N. Sangam, 12. Tai Foundation, 13. Shrujan Trust, 14. Tulsi Mahapragya Pragya Bharti Trust, 15. Institute of Youth Development, 16. Matushri Prabhavti Gangji Shamji Chheda Charitable Trust, 17. United Way of Mumbai, 18. All India Social Educational Charitable Trust, 19. Ashoka Institute of Medical Sciences & Research, 20. Banni Sindhu Seva Sangh, 21. Shri Sudharm Gyan Sthankwashi Sangh, 22. Shri Kutch Halapur Visha Oswal Deravashi Jain Mahajan, 23. Mandke Foundation

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, 2018, the Company has a balanced Board of Director's, which primarily takes care of the business needs and stakeholder's interest. The Executive and Non-Executive Directors including Independent Directors on the Board are competent and experienced from various fields. They actively participate at the Board and Committee meetings and provide valuable guidance to the management on various aspects relating to business decisions.

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

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

During the financial year, the Board of the Company met 6 (six) times i.e. on May 09, 2017; July 13, 2017; September 12, 2017; December 13, 2017; January 23, 2018 and March 20, 2018. 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, 2018 is given below:

Sr. No.	Name, DIN, Category	Attendance at Board meeting	Attendance at last AGM held on September 27, 2017	No. of other Directorships and Committee memberships/Chairmanships held		
				Other Directorships #	Chairmanships@	Memberships of Committees@
1.	Mr. Raman Maroo, Managing Director (DIN:00169152)	6/6	YES	1	NIL	NIL
2.	Mr. Atul Maru, Jt. Managing Director (DIN : 00169264)	5/6	YES	NIL	NIL	1
3.	Mr. Hiren Gada, CEO & CFO (DIN:01108194)	6/6	YES	NIL	NIL	1
4.	Mr. Buddhichand Maroo, Chairman (DIN:00169319)	5/6	YES	NIL	NIL	NIL
5.	Mr. Jai Maroo, Non-Executive Director (DIN:00169399)	6/6	YES	NIL	NIL	NIL
6.	Mr. Gnanesh Gala, Independent Director (DIN: 00093008)	5/6	NO	1	1	1
7.	Mr. Shashidhar Sinha, Independent Director (DIN:00953796)	4/6	NO	2	NIL	2
8.	Mr. Vasanji Mamania, Independent Director (DIN:00013071)	5/6	NO	NIL	NIL	1
9.	Mr. Kirit Gala, Independent Director (DIN:01540274)	5/6	YES	NIL	NIL	1
10.	Dr. CA Reeta Shah, Independent Director (DIN:07141304)	5/6	YES	NIL	1	1

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

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

a. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2018:

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

b. Board Independence:

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

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

c. Board Procedure:

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

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

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

d. Separate Independent Directors' Meetings:

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on April 10, 2017, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the Meeting, the Independent Director reviewed and evaluated the performance of the Chairman, Managing Director and other Non-Independent Directors, the Board and flow of information between the management and the Board.

e. Familiarization programmes:

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

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

f. Board Evaluation:

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

3. COMMITTEES OF THE BOARD

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

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

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

A. Audit Committee:

i. Composition and Attendance at the Meeting

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

The Audit Committee was re-constituted by the Board at its meeting held on July 13, 2017. The Audit Committee met 5 (five) times during the year under review. The Committee Meetings were held on the following dates May 09, 2017; July 13, 2017; September 12, 2017; December 13, 2017 and January 23, 2018.

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	5	4
2.	Mr. Kirit Gala	Member	Independent Director	5	4
3.	Mr. Hiren Gada	Member	Executive Director	5	5
4.	Mr. VasANJI Mamania*	Member	Independent Director	3	2
5.	Dr. CA Reeta Shah*	Member	Independent Director	3	2

*Appointed as a member in Audit Committee w.e.f. July 13, 2017.

Mr. Gnanesh Gala, Chairman of the Audit Committee had authorised Mr. Kirit Gala, Independent Director and member of Audit Committee to attend the last Annual General Meeting of the Company held on September 27, 2017, on his behalf as he was unable to attend due to medical emergency in the family.

ii. General

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

iii. Powers of Audit Committee

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

iv. Role of the Audit Committee

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

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and approval for payment of any other services
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Calling for comments of the auditors about internal control systems, scope of audit (including observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and/or statutory auditors and management of the company.
 - Approval or any subsequent modification of transactions of the company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism / Vigil Mechanism.
 - Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.
 - Reviewing the following information:
 1. The Management, Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by the management;
 3. Management Letters/Letters of internal control weaknesses issued by statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to the review by the Audit Committee.
6. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulation 32(7).

B. Nomination and Remuneration Committee

i. Composition and Attendance at the Meeting

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

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee Meetings were held on the following dates May 09, 2017, January 23, 2018 and March 20, 2018. 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. Vasanthi Mamania	Chairman	Independent Director	3	2
2.	Mr. Shashidhar Sinha	Member	Independent Director	3	2
3.	Mr. Jai Maroo	Member	Non-Executive Director	3	3

Mr. Vasanthi Mamania, Chairman of the Nomination & Remuneration Committee had authorised Mr. Jai Maroo, Non-Executive Director and member of Nomination & Remuneration Committee to attend the last Annual General Meeting of the Company held on September 27, 2017, on his behalf due to pre-occupations.

Terms of Reference of the Committee

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

ii. Nomination & Remuneration Policy

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

- Board Membership Criteria**

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

The criteria for appointment to the Board include:

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

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

- Performance Evaluation**

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

- Remuneration framework**

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

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

iii. Details of Remuneration

The details of remuneration paid to Executive Directors and to Non-Executive Directors for the Financial Year ended March 31, 2018 is provided hereinafter:

Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2018:

(Rs. in lakhs)

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	TOTAL
Mr. Raman Maroo	41.91	Nil	Nil	0.61	42.52
Mr. Atul Maru	41.91	Nil	Nil	0.61	42.52
Mr. Hiren Gada	31.91	Nil	Nil	0.61	32.52

Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2018:

(Amount in Rs.)

Name of Director	Sitting Fees for attending Board Meeting
Mr. Buddhichand Maroo	1,00,000
Mr. Jai Maroo	1,20,000
Mr. Vasanti Mamania	1,00,000
Mr. Gnanesh Gala *	Nil
Mr. Kirit Gala*	Nil
Mr. Shashidhar Sinha	80,000
Dr. CA Reeta Shah	100,000
TOTAL	5,00,000

Note:

- No commission was paid to the Non-Executive Directors during the financial year ended on March 31, 2018.
- *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. Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non-executive Directors.
4. No Severance Fee is payable and no stock option has been given.

C. Stakeholders Relationship Committee

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

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

i. Composition and Attendance at the Meeting

The Stakeholders Relationship Committee comprises of the members as stated below. The Committee met 3 (three) times during the year under review. The Committee Meeting was held on September 12, 2017, December 13, 2017 and January 23, 2018.

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	Chairman	Independent Director	3	3
2.	Mr. Shashidhar Sinha	Member	Independent Director	3	2
3.	Mr. Atul Maru	Member	Executive Director	3	2

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 27, 2017.

ii. Compliance Officer

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

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

- a. Investor relations and redressal of grievances of security holders of the company in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
- b. Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / sub-division/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates etc.
- c. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment.

iv. Investor Grievance Redressal

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

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

As on March 31, 2018, no complaints were outstanding.

D. Corporate Social Responsibility Committee (CSR):**i. Composition and Attendance at the Meeting**

The Company has constituted a CSR Committee as required under Section 135 of the Act. The CSR Committee comprises of the members as stated below. The Committee during the year under review met 2 (twice) on May 09, 2017 and January 23, 2018.

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

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

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

E. Executive Committee

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

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

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

Terms of reference

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

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

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

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

The Code of Conduct is available on the website of the Company at www.shemarooent.com. All Board members and senior management personnel affirm compliances with the Code of Conduct annually. A declaration signed by the Managing Director (MD) and Chief Executive Officer 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 Date, Time and Venue of the Company's Annual General Meetings were as follows:

Financial Year	Day, Date	Time	Venue
2016-2017	Wednesday, September 27, 2017	04:00 PM	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001.
2015-2016	Monday, September 26, 2016	04:00 PM	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001.
2014-2015	Monday, September 21, 2015	03:00 PM	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai-400020.

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

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 "Investors" where shareholders' information is available. The Company's Quarterly, half yearly and annual financial results, official news releases and presentations made to institutional investors and to the Analysts are promptly displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern, Unclaimed Dividends, Share price tools includes, inter-alia, share graphs, historical share price data and other Corporate Communications made to the Stock Exchanges are also available on the website. Annual Report of Subsidiary Companies are also posted on the website.
- **Communication to shareholders on Email:** As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

- **Annual Report:** The Annual Report containing, inter-alia, Audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to shareholders and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Board's Report in the Annual Report. The Annual Report is displayed on the Company's website at www.shemarooent.com
- **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web-based application designed by NSE for listed entities. All periodical compliance filings like shareholding pattern, corporate governance report, media releases statement of investor complaints among others, are filed electronically on NEAPS
- **BSE Corporate Compliance & Listing Centre:** BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a 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 11, 2018
Time	: 04:00 P. M.
Venue	: M.C.Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.
Book Closure Date	: Wednesday, September 5, 2018 to Tuesday, September 11, 2018 (both days inclusive)
Last Date of receipt of Proxy Forms	: Sunday, September 09, 2018 before 04:00P.M
Cut- off date	: Tuesday, September 4, 2018

d. Financial Calendar (Tentative):

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

First Quarter	: August, 2018
Half yearly	: November, 2018
Third Quarter	: February, 2019
Fourth Quarter and Annual	: May, 2019
Annual General Meeting	: August/September, 2019

e. Dividend Payment Date:

The Board of Directors at their meeting held on May 15, 2018, recommended a Final Dividend of Rs. 1.55 per equity share of face value of Rs. 10/- each, for the financial year ended March 31, 2018. Final Dividend, if approved by shareholders in the AGM, will be paid on or after September 11, 2018 (within the statutory time limit of 30 days).

f. Listing:

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

- **Bombay Stock Exchange Limited (BSE) - Stock Code:538685**

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

- **National Stock Exchange of India Limited (NSE) - Stock Code: SHEMAROO**

Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

The Annual listing fees for the financial year 2018-19 have been paid to the above Stock Exchanges.

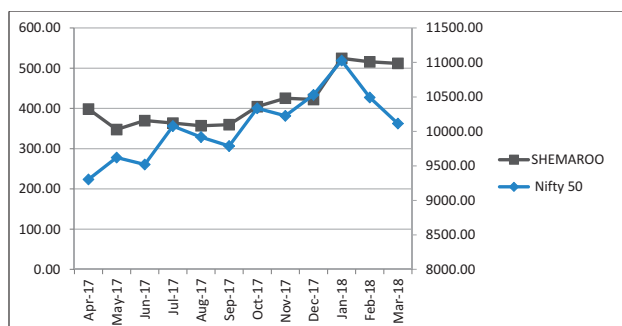
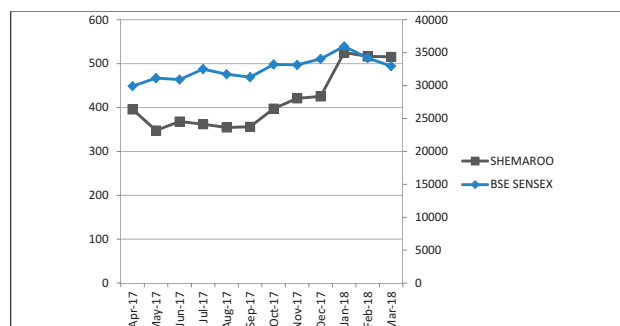
g. Payment of Depository Fees: Annual Custody / Issuer fee for the year 2018-19 has been paid by the Company to NSDL and CDSL.

h. ISIN Number: INE363M01019

i. Market Price Data:

The high / low market price of the shares during the financial year 2017-2018 at the BSE Limited and at National Stock Exchange of India Ltd. were as under :-

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr, 2017	416.25	381.05	72108	416.7	380.60	397945
May, 2017	406.00	316.55	163901	407.00	317.50	863293
Jun, 2017	379.00	342.00	25515	374.80	342.65	300397
Jul, 2017	399.00	355.45	31336	397.00	357.00	504222
Aug, 2017	387.70	324.95	61119	388.00	331.00	509769
Sep, 2017	385.00	341.90	56367	379.60	343.50	292909
Oct, 2017	418.90	360.50	52652	416.55	358.90	278614
Nov, 2017	450.00	366.10	99778	448.00	372.50	436523
Dec, 2017	478.60	378.05	138554	478.95	376.10	610077
Jan, 2018	595.00	412.00	278176	594.70	415.00	1839396
Feb, 2018	559.00	485.00	50818	560.00	485.00	376008
Mar, 2018	535.00	466.50	197616	535.00	461.20	450127

j. Performance in comparison to broad based indices:**A. PERFORMANCE OF SHARE PRICE IN COMPARISON TO NIFTY 50 :****B. PERFORMANCE OF SHARE PRICE IN COMPARISON TO BSE SENSEX**

k. Distribution of Shareholding:

The Shareholding distribution of the equity shares as on March 31, 2018 is given below:-

No. of Shares	No. of Shareholders*	No. of Shares	% to Total Shares
1 - 5000	7852	1696281	6.2405
5001 - 10000	47	329380	1.2117
10001 and above	75	25156578	92.5479
Total	7974	27182239	100.00

*Total nos. of Folio of the Company as on March 31, 2018.

l. Shareholding Pattern:

The Shareholding of different categories of the shareholders as on March 31, 2018 is given below:-

Category	No. of shares	% of Holdings
Promoters	16069080	59.12
Foreign Promoter	1822840	6.71
Foreign Portfolio Investor (Corporate)& FII	4310293	15.86
Financial Institutions & Banks	4839	0.02
Mutual Fund	195000	0.72
Non -Resident Indians (Repatriable)	226192	0.83
Non -Resident (Non - Repatriable)	61576	0.23
Other Bodies Corporate	1075146	3.96
Clearing Member	20708	0.08
Hindu Undivided Family	89717	0.33
Office Bearers	14943	0.06
Directors	50636	0.19
Public	3235036	11.90
Trusts	6233	0.02
TOTAL	27182239	100.00

m. Share Transfer System :

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

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

n. Dematerialization of shares:

As on March 31, 2018, 99.81% of the Company's paid-up Equity Share Capital was held in dematerialized form with NSDL and CDSL. The Company's equity shares are regularly traded on NSE and BSE.

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

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

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

As such the nature of the business of the Company is not exposed to any commodity price risk/hedging activities.

q. Registrar and Share Transfer Agent:

The Company has appointed Link Intime India Private Limited as its Registrar. As required under Regulation 7(3) of the SEBI Listing

Regulations, the Company has filed a Certificate issued by Registrar and the Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by its RTA.

r. Address for Correspondence:

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

Link Intime India Pvt. Ltd.

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

Compliance Officer

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

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

s. Service of documents through Email:

Pursuant to the provisions of the Act service of documents 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.

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 26 to the Standalone Financial Statements.

ii. Whistle Blower Policy / Vigil Mechanism

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

iii. Reconciliation of Share Capital Audit

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

iv. Compliance with mandatory requirements

The Company has complied with all applicable mandatory requirements of the SEBI Listing Regulations as on March 31, 2018. 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-para (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, 2017 to March 31, 2018.

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. 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.

xi. Compliance Certificate of the Auditors

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

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

In accordance with Regulation 26(3) read with Schedule V of SEBI Listing Regulations, We hereby declare that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year March 31, 2018.

sd/-
Raman Maroo
Managing Director
DIN: 00169152

sd/-
Hiren Gada
CEO & CFO
DIN: 01108194

Mumbai
May 15, 2018

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, 2018 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee
 - i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

sd/-
Raman Maroo
Managing Director
DIN: 00169152

sd/-
Hiren Gada
CEO & CFO
DIN: 01108194

Mumbai
May 15, 2018

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Shemaroo Entertainment Ltd.
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Shemaroo Entertainment Limited, for the year ended on 31st March 2018 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **Manish Ghia & Associates**
Company Secretaries

Place: Mumbai
Date : May 15, 2018

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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, 2018 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 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an

Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period); and**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Cinematograph Act, 1952, Copyright Act, 1957 and the rules made thereunder, being laws that are specifically applicable to the Company based on their sector/industry.

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period there were no major corporate events having a major bearing on the company's affairs.

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

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: May 15, 2018

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

ANNEXURE A

To,
The Members,
Shemaroo Entertainment Limited
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

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

Place : Mumbai
Date: May 15, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shemaroo Entertainment Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating

effectiveness of such controls, refer to our separate report in “Annexure B”.

(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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 31.5 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any

material foreseeable losses; and

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S. Poosaidurai
Partner

Chartered Accountants
Membership No. 223754

Date: 15 May, 2018
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, these fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As per the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and there were no material discrepancies noticed on such physical verification.
- (iii) The Company has granted unsecured interest bearing loans to its subsidiary companies which are covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
 - (b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii) (b) and (c) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest;
- (iv) According to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 in respect of loans, investments, guarantees, and security given by the Company.
- (v) The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- (vi) The Company is maintaining the cost records as specified by the Central Government under sub – section (1) of Section 148 of the Companies Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is 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 ₹)	Period to Which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	1,60,02,229	F.Y. 2010-11	ITAT
Customs Act	Customs Duty	1,54,64,368	F.Y. 2009-10	CESTAT
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the information and explanations given to us, the term loans were applied for the purposes for which those are raised by the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or any

fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi Company and hence clause 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

**Date: 15 May, 2018
Place: Mumbai**

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's 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 the 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: 15 May, 2018
Place: Mumbai

Balance Sheet

As At 31st March, 2018

(₹ in lakhs)

Particulars	Note	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
ASSETS				
I Non-Current Assets				
(a) Property, Plant and Equipment	3	3,214.36	3,356.61	2,837.43
(b) Capital work-in-progress		-	-	138.23
(c) Other intangible assets	4	88.67	89.83	91.95
(d) Financial assets				
(i) Non-Current Investments	5 (a)	3,545.02	1,199.00	1,201.90
(ii) Loans and Advances	5 (b)	-	677.04	610.14
(iii) Other Financial assets	5 (c)	34.15	25.92	10.50
(e) Other non-current assets	6	307.96	348.77	449.76
Total Non-Current Assets		7,190.15	5,697.16	5,339.90
II Current assets				
(a) Inventories	7	51,458.43	49,731.71	38,375.17
(b) Financial assets				
(i) Trade receivables	8 (a)	13,871.28	19,041.26	10,638.33
(ii) Cash and Cash equivalents	8 (b)	108.25	113.83	106.85
(iii) Loans and Advances	8 (c)	71.68	1,159.11	1,148.75
(c) Other current assets	9	1,258.03	3,290.37	6,475.74
Total Current Assets		66,767.68	73,336.28	56,744.84
Total Assets		73,957.83	79,033.45	62,084.75
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10	2,718.22	2,718.22	2,718.22
(b) Other Equity	11	47,162.35	40,630.86	34,915.26
Total Equity		49,880.57	43,349.08	37,633.48
LIABILITIES				
I Non-current liabilities				
(a) Financial Liabilities				
Non-Current borrowings	12	212.66	1,310.67	2,300.48
(b) Provisions	13	161.76	96.39	67.15
(c) Deferred tax Liabilities (Net)	14	358.29	642.99	656.91
Total Non-Current Liabilities		732.71	2,050.05	3,024.53
II Current liabilities				
(a) Financial Liabilities				
(i) Current Borrowings	15 (a)	18,581.63	25,407.82	15,436.49
(ii) Trade payables	15 (b)	1,759.43	1,974.41	1,112.72
(iii) Other Financial Liabilities	15 (c)	1,346.41	3,173.75	3,639.53
(b) Other Current Liabilities	16	262.69	615.56	300.91
(c) Provisions	17 (a)	147.85	123.56	66.15
(d) Current Tax Liabilities (net)	17 (b)	1,246.54	2,339.22	870.93
Total Current Liabilities		23,344.54	33,634.32	21,426.73
Total Liabilities		24,077.25	35,684.37	24,451.27
Total Equity and Liabilities		73,957.83	79,033.45	62,084.75
See accompanying notes forming part of the financial statements	1-31			

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018

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

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai

Date: 15th May 2018

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note	Year ended 31 st March 2018	Year ended 31 st March 2017
I. Income			
Revenue from operations	18	47,645.49	41,474.65
Other income	19	225.32	478.01
Total Income		47,870.81	41,952.66
II. Expenses			
Operational Cost	20	26,986.98	23,504.70
Employee benefits expense	21	3,922.97	2,999.24
Finance costs	22	3,071.86	3,241.72
Depreciation and amortization expense	3 & 4	505.52	416.51
Other expenses	23	2,760.54	2,174.95
Total Expenses		37,247.88	32,337.12
III. Profit before tax		10,622.92	9,615.53
IV. Tax expense			
Current tax		3,980.61	3,424.00
Deferred tax	14	(306.33)	(2.90)
Total Tax expense		3,674.28	3,421.10
V. Profit for the year (A)		6,948.64	6,194.43
VI. Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss		-	-
- Remeasurements of defined benefit plans		62.50	(31.82)
Tax relating to items that will not be reclassified to Profit and Loss		(21.63)	11.01
Total Other Comprehensive Income for the year (B)		40.87	(20.81)
VII. Total comprehensive income for the year (A + B)		6,989.52	6,173.63
VIII. Earnings per equity share [face value of share ₹ 10]	24		
(a) Basic (₹)		25.56	22.79
(b) Diluted (₹)		25.56	22.79
See accompanying notes forming part of the financial statements	1-31		

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018

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

Raman Maroo

Managing Director
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Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai

Date: 15th May 2018

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Cash Flow Statement

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,622.92	9,615.53
Adjustments for :		
Depreciation & Amortisation	505.52	416.51
Dividend Income	(0.60)	(1.01)
Financial Cost	3,071.86	3,241.72
Liabilities no longer required written back	(0.22)	(19.12)
Interest Income	(173.96)	(417.22)
Property, Plant and Equipment	-	(0.34)
Urealised foreign exchange Gain/(Loss)	1.40	1.49
Provision for Compensated leave absences	53.20	7.93
Provision for Gratuity	35.16	75.31
Bad Debts written off	17.48	22.75
Operating profit before working capital changes	14,132.75	12,943.55
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	7,881.46	(5,346.44)
Decrease/(Increase) in Inventories	(1,726.72)	(11,356.53)
Increase/(Decrease) in Trade or Other Payable	(792.05)	(349.74)
Cash generated from/(used in) operations	19,495.44	(4,109.17)
Direct Taxes paid (net)	5,011.96	1,838.15
Net cash from/(used in) operating activities	14,483.48	(5,947.32)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	-	0.34
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(362.10)	(795.38)
Investment in Subsidiaries	(2,346.02)	2.90
Loan to Subsidiaries	1,100.43	(20.97)
Dividend Income	0.60	1.01
Interest Income	173.96	417.22
Net cash from/(used in) investing activities	(1,433.13)	(394.87)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(380.55)	(380.55)
Tax on Dividend Paid	(77.47)	(77.47)
Increase/(Decrease) in Non-Current Borrowings	(2,699.85)	(671.16)
Increase/(Decrease) in Current Borrowings	(6,826.19)	10,721.34
Financial Cost	(3,071.86)	(3,242.98)
Net cash from/(used in) financing activities	(13,055.92)	6,349.17
Net increase/(decrease) in cash and cash equivalents	(5.58)	6.98
Cash and cash equivalents as at the beginning of the year	113.83	106.85
Cash and cash equivalents as at the end of the year	108.25	113.83

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018

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

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai

Date: 15th May 2018

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Notes	Balance as at 1 st April 2017	Balance as at 1 st April 2016	Changes in equity share capital during the year		Balance as at 31 st March 2018	Balance as at 31 st March 2017
				2017-18	2016-17		
Equity Share Capital	10	2,718.22	2,718.22	-	-	2,718.22	2,718.22

B. Other Equity

(₹ in Lakhs)

Particulars	Notes	Reserves & Surplus			Other Comprehensive Income	Total
		Securities premium account	General reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1st April 2016	11	14,340.81	2,112.81	18,437.64	-	34,891.26
Total Comprehensive Income for the year		-	-	6,194.43	(20.81)	6,173.63
Dividends (including Dividend Distribution Tax)		-	-	(458.02)	-	(458.02)
Balance as at 31st March 2017		14,340.81	2,112.81	24,174.05	(20.81)	40,606.86
Total Comprehensive Income for the year	11	-	-	6,948.64	40.87	6,989.52
Dividends (including Dividend Distribution Tax)		-	-	(458.02)	-	(458.02)
Balance as at 31st March 2018		14,340.81	2,112.81	30,664.67	20.06	47,138.35

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai

Date: 15th May 2018

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

NOTES

1 Corporate information

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

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

2 Significant accounting policies

2.1 Statement of Compliance

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

Upto the year ended 31st March, 2017, the company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements and the date of transition to Ind AS is 1st April, 2016.

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 the 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 expensed in the period 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 the asset's carrying amount exceeds its recoverable amount.

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

(f) Investments

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

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

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

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

(g) Inventories

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

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

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

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

(h) Cash and cash equivalents

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

(i) Cash Flow Statement

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

(j) Financial Assets

A. Initial recognition and measurement :

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

B. Subsequent measurement :

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise

on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset which is not classified in the above categories is fairly 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) 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.

(m) Tax Expenses

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

Current Tax

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

Deferred Tax

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

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

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

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

(n) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Exchange differences arising on settlement of transactions are recognised in Statement of Profit and Loss.

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

(o) Revenue recognition

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

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

Sale of goods

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

Income from Services

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

(p) Other income

i) Interest Income

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

ii) Dividend Income

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

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

(q) Purchase of rights

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

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

(r) Earnings per share

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

(s) Provisions & Contingencies

Provisions are recognised when the Company has a present obligation as a result of 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.

3 Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Total
Cost or Deemed Cost					
At 1 st April 2016	1,776.27	184.25	84.93	791.97	2,837.43
Additions	823.45	0.73	80.17	2.17	906.52
Disposals	(483.68)	(1.31)	-	-	(485.00)
At 31st March 2017	2,116.04	183.66	165.10	794.14	3,258.94
Additions	314.15	1.61	14.63	-	330.38
At 31st March 2018	2,430.19	185.27	179.72	794.14	3,589.33
Accumulated Depreciation					
At 1 st April 2016	-	-	-	-	-
Charge for the year	300.16	30.49	40.67	16.01	387.33
Disposals	(483.68)	(1.31)	-	-	(485.00)
At 31st March 2017	(183.52)	29.17	40.67	16.01	(97.67)
Charge for the year	400.86	29.69	26.02	16.06	472.64
At 31st March 2018	217.34	58.86	66.69	32.07	374.97
Net Block					
At 1 st April 2016	1,776.27	184.25	84.93	791.97	2,837.43
At 31 st March 2017	2,299.56	154.49	124.43	778.13	3,356.61
At 31 st March 2018	2,212.85	126.41	113.03	762.07	3,214.36

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

4 Other Intangible assets

(₹ in Lakhs)

	Software	Total
Cost or Deemed Cost		
At 1 st April 2016	91.95	91.95
Purchase	27.06	27.06
Disposals	(4.00)	(4.00)
At 31st March 2017	115.01	115.01
Purchase	31.72	31.72
At 31 st March 2018	146.72	146.72
Accumulated amortisation		
At 1 st April 2016	-	-
Charge for the year	29.18	29.18
Disposals	(4.00)	(4.00)
At 31st March 2017	25.18	25.18
Charge for the year	32.88	32.88
At 31st March 2018	58.06	58.06
Net Block		
At 1 st April 2016	91.95	91.95
At 31 st March 2017	89.83	89.83
At 31 st March 2018	88.67	88.67

(₹ in Lakhs)

Particulars		As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
NON-CURRENT ASSETS				
5	Financial Assets			
(a)	<u>Non- Current Investments</u>			
	Investments measured at Cost			
	In Subsidiaries, Unquoted			
(i)	200 (31 st March 2017: 200, 1 st April 2016: 200) Equity shares at no par value of Shemaroo Entertainment INC, USA, a wholly owned subsidiary	4.08	4.08	4.08
(ii)	3600 (31 st March 2017: 3600, 1 st April 2016: 3600) Equity shares of GBP 10/- each fully paid up of Shemaroo Entertainment (UK) Private Limited, a wholly owned subsidiary	26.88	26.88	26.88
(iii)	1000000 (31 st March 2017: 1000000, 1 st April 2016: 1000000) Equity shares of ₹ 10/- each fully paid up of Canopy Entertainment Private Limited (formerly known as Shemaroo Films Private Limited)	100.00	100.00	100.00
(iv)	Capital Account in Shemaroo Think Tank Entertainment LLP -in fixed capital account -in current capital account	1.00 1,596.45	1.00 -	0.65 3.25
(v)	Capital Account in Contentino Media LLP - in fixed capital account - in current capital account	0.65 749.57	0.65 -	0.65 -
	In Equity shares of Associate Company, Unquoted			
(vi)	45000 (31 st March 2017: 45000, 1 st April 2016: 45000) Equity shares of ₹ 10/- each fully paid up of Vistaas Digital Media Private Limited Others, Unquoted	1,061.39	1,061.39	1,061.39
(vii)	50000 (31 st March 2017: 50000, 1 st April 2016: 50000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00	5.00
	Total	3,545.02	1,199.00	1,201.90
	<u>OTHER DISCLOSURES</u>			
	Aggregate amount of unquoted Investment	3,545.02	1,199.00	1,201.90
		3,545.02	1,199.00	1,201.90
(a.i)	Category-wise Non-Current Investments			
	Financial Assets measured at Cost	3,545.02	1,199.00	1,201.90
	Total	3,545.02	1,199.00	1,201.90
(a.ii)	Share in Interest of Profit/(Loss) Ratio in Limited Liability Partnership			
	Shemaroo Think Tank Entertainment LLP			
Sr. No.	Partner's Name	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
i.	Shemaroo Entertainment Limited	99.99%	99.99%	65%
ii.	Raman Hirji Maroo	0.01%	0.01%	-
iii	TTL Media Solutions Private Limited	-	-	35%
	Total share	100.00%	100.00%	100.00%

Contentino Media LLP

Sr. No.	Partner's Name	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
i.	Shemaroo Entertainment Limited	65.00%	65.00%	65.00%
ii.	Murtuza Fakhruddin Kagalwala	17.50%	17.50%	17.50%
iii.	Rajesh Kumar Das	17.50%	17.50%	17.50%
	Total share	100.00%	100.00%	100.00%

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
(b) Loans & Advances			
Loans to employees	-	-	5.51
Loans to others	-	677.04	604.63
Total	-	677.04	610.14
(c) Other Financial Assets			
Bank Deposits with more than 12 months maturity	7.50	7.50	7.50
Security Deposit	26.65	18.42	3.00
Total	34.15	25.92	10.50
6 Other Non- Current Assets			
Advances to Vendors	33.82	28.51	33.97
Other Taxes Receivable	159.88	206.77	308.88
Balance with Customs and Central Excise Authorities	106.91	106.91	106.91
Prepaid lease payments	7.35	6.58	-
Total	307.96	348.77	449.76
CURRENT ASSETS			
7 Inventories			
Work-in-Progress			
Media content under Production	380.22	331.83	263.04
Stock-in-Trade			
DVDs, VCDs & ACDs	102.17	111.84	151.97
Copyrights	50,976.04	49,288.05	37,960.17
Total	51,458.43	49,731.71	38,375.17
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	13,909.72	19,081.54	10,678.55
- considered good	(38.45)	(40.28)	(40.22)
Expected Credit loss allowance			
Total	13,871.28	19,041.26	10,638.33
For transactions relating to related party receivables, refer note 26 (a)			
Movement in expected credit loss allowance			
Opening Balance	40.28	40.22	40.22
Movement in expected credit loss allowance during the year	(1.84)	0.06	-
Closing Balance	38.45	40.28	40.22
(b) Cash and Cash Equivalents			
Cash and Bank Balance			
Balances with Banks in Current Account	48.40	68.88	59.12
Cash in hand	4.92	3.48	9.73
Deposit with maturity of less than twelve months	54.93	41.47	38.00
Total	108.25	113.83	106.85

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
(c) Loans & Advances			
Unsecured, considered good			
Loans to subsidiaries (Refer Note 26 (a))	27.55	1,127.98	1,107.02
Loan to employees	44.13	31.13	41.74
Total	71.68	1,159.11	1,148.75
9 Other Current Assets			
Advances paid for Supply of Goods and Rendering of Services	1,177.63	3,169.62	6,404.31
Other Taxes Receivables	2.88	-	-
Prepaid Expense	77.52	120.75	71.43
Total	1,258.03	3,290.37	6,475.74
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	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	2,718.22
Total	2,718.22	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 Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders, except in case of interim dividend. In the event of liquidation, the share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

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

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the year	2,71,82,239	2,718.22	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	2,71,82,239	2,718.22

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

Name of Shareholder	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	No. of Shares held	% of Holding	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%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%	48,09,520	17.69%
Mr. Budhichand Hirji Maroo	35,75,320	13.15%	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%	-	-
Copthall Mauritius Investment Limited	-	-	-	-	23,74,000	8.73%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%	18,22,840	6.71%
Total	1,76,31,200	64.86%	1,76,31,200	64.86%	1,73,91,200	63.98%

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
11 Other Equity			
(a) Reserves & Surplus			
I Securities premium account			
Opening balance	14,340.81	14,340.81	14,340.81
Closing Balance	14,340.81	14,340.81	14,340.81
II General reserve			
Opening balance	2,112.81	2,112.81	2,112.81
Closing Balance	2,112.81	2,112.81	2,112.81
III Retained Earnings			
Opening balance	24,198.05	18,461.64	18,003.61
Profit for the year	6,948.64	6,194.43	-
Proposed / Final Dividend	(380.55)	(380.55)	380.55
Tax on Proposed / Final Dividend	(77.47)	(77.47)	77.47
Closing Balance	30,688.67	24,198.05	18,461.64
(b) Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans			
Opening Balance	(20.81)	-	-
Remeasurements during the year	62.50	(31.82)	-
Deferred tax on remeasurements during the year	(21.63)	11.01	-
Closing Balance	20.06	(20.81)	-
Total Retained Earnings	30,708.73	24,177.24	18,461.64
Total	47,162.35	40,630.86	34,915.26

Non-Current Liabilities		(₹ in Lakhs)			
Financial Liabilities					
12	Non-Current Borrowings				
	Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016	
	Secured Bank Loan - at amortised cost				
(i)	Term Loan, secured by hypothecation of Machinery/ Equipment to be acquired	94.08	413.28	-	
(ii)	Term Loan, secured by hypothecation of specified copyrights to be acquired	453.96	2,259.19	4,046.28	
(iii)					
(iv)	Term Loan, secured by hypothecation of motor vehicles to be acquired	12.43	41.29	75.29	
(v)	Bill Discounting from Bank is secured by exclusive charge on specified receivables	750.21	1,496.28	-	
	Bill Discounting from Bank is secured by exclusive charge on specified receivables	199.52	-	-	
Total Non-Current Borrowings		1,510.19	4,210.04	4,121.58	
	Less: Current Maturities of long-term debt (included in Note 15 (c))	1,297.53	2,899.37	1,821.10	
Non-Current Borrowings		212.66	1,310.67	2,300.48	

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Non-Current Liabilities			
13 Provisions			
Provision for employee benefits:			
- Gratuity	38.10	21.32	-
- Compensated leave absences	123.66	75.07	67.15
Total	161.76	96.39	67.15
14 Deferred Tax Liabilities			
Balances comprise temporary differences attributable to:			
Property, Plant & Equipment & Intangible Assets	441.47	429.89	422.20
Disallowances under the Income Tax Act, 1961	(78.34)	238.92	246.86
Financial Liability at amortised cost	(15.46)	(14.80)	(12.15)
Remeasurement of Defined benefit plan	10.62	(11.01)	
Net Deferred Tax Liability	358.29	642.99	656.91

Movements in Deferred Tax Liabilities/Assets

	Current year	Financial Liability at amortised cost	Remeasurement of defined benefit plan	Net Balance
Opening Balance as on 1 st April'2016	669.06	(12.15)	-	656.91
Charge or (Credit) to the Statement of Profit and Loss	(0.25)	(2.65)	(11.01)	(13.91)
Closing Balance as on 31st March'2017	668.81	(14.80)	(11.01)	642.99
Charge or (Credit) to the Statement of Profit and Loss	(305.67)	(0.66)	21.63	(284.70)
Closing Balance as on 31st March'2018	363.13	(15.46)	10.62	358.29

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
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}	11,349.26	12,400.06	8,070.03
Unsecured Bank Overdraft	4,117.40	7,463.38	5,223.30
Loans & Advances (Unsecured)			
-Intercompany Deposits from others	205.00	1,409.36	455.00
-Directors	2,909.97	4,135.00	1,688.16
Total	18,581.63	25,407.82	15,436.49
b) Trade payable			
(a) Due to Micro and Small Enterprises (Refer Note No.31.7)	-	-	-
(b) Due to Others	1,759.43	1,974.41	1,112.72
Total	1,759.43	1,974.41	1,112.72

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

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
(c) Other Financial Liabilities			
Current Maturities of long-term debt	1,297.53	2,899.37	1,821.10
Current Maturities of short-term debt	-	-	1,677.29
Security Deposit Received	17.75	15.99	14.43
Creditors for Capital Expenditure	-	126.13	74.53
Others	30.94	132.05	50.25
*(includes Advance from customers, creditors for expenditure, unclaimed dues and other payables)			
Unclaimed Dividend Payable	0.19	0.20	1.93
Total	1,346.41	3,173.75	3,639.53
16 Other Current Liabilities			
Advances received from Customers	77.59	16.15	8.88
Prepayments Received	0.25	2.01	3.57
Interest Accrued and due	-	32.42	43.30
Statutory Dues Payable	184.85	564.98	245.16
Total	262.69	615.56	300.91
17 Provisions			
(a) Provision for Employee Benefits			
- Gratuity	121.16	102.78	48.78
- Compensated leave absences	10.61	6.00	6.00
- E S I C	1.27	1.55	0.59
- Provident Fund	14.80	13.22	10.77
- Maharashtra Labour Welfare Fund	0.01	0.01	0.01
	147.85	123.56	66.15
(b) Other Provisions			
Provision for tax (Net of Advance Tax)	1,246.54	2,339.22	870.93
	1,246.54	2,339.22	870.93
Total Provisions	1,394.38	2,462.78	937.08
Income Tax expenses for the year can be reconciled to accounting profit as follows:			
Profit before tax	10,622.92	9,591.38	
Tax effect of :			
Depreciation as per Income Tax Rules	(539.35)	(438.67)	
Deductions	(80.24)	-	
Expenses disallowed	1,498.65	747.45	
	11,501.99	9,900.16	
Applicable Tax Rate	0.35	0.35	
	3,980.61	3,426.25	
Tax Deduction at Source	(2,707.25)	(1,002.26)	
	1,273.36	2,423.99	

(₹ in Lakhs)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
18 Revenue from Operations		
Sale of Rights	47,086.24	40,512.81
Sale of Products	132.31	256.01
Income from Services	426.93	572.85
Other Operating Revenue	-	132.98
Total	47,645.49	41,474.65
19 Other Income		
Interest	173.96	417.22
Dividend from Non-Trade Investment	0.60	1.01
Other	50.76	59.78
Total	225.32	478.01
20 Operational Cost		
Inventories at the beginning of the year	49,731.71	38,375.17
Purchases	25,190.92	30,294.02
Works Cost	3,522.79	4,567.22
Inventories at the end of the year	51,458.43	49,731.71
Total	26,986.98	23,504.70
21 Employee Benefit Expense		
Salaries, Bonus and Allowances	3,550.83	2,778.96
Contribution to Provident & Other funds	252.19	145.32
Staff Welfare Expenses	119.95	74.96
Total	3,922.97	2,999.24
22 Finance costs		
Interest on Borrowings	2,947.52	3,121.36
Bank & Other Finance Charges	124.35	120.36
Total	3,071.86	3,241.72
23 Other expenses		
Bad Debts written off	17.48	22.75
Business Development expenses	62.80	40.73
Communication expenses	99.01	61.64
Directors Sitting Fees	5.00	3.40
Donations	165.72	14.70
Electricity Expenses	171.66	149.61
Foreign Exchange Fluctuation Loss	7.05	52.08
General Expenses	438.04	734.09
Insurance Expenses	62.48	57.09
Interest on Statutory Dues	70.11	60.39
Legal, Professional and Consultancy expenses	560.49	376.12
Payment to Auditors	19.25	11.91
Repairs and Maintenance		
- Building	-	32.50
- Machinery	10.73	6.62
- Others	123.87	128.40
Rents, Rates and Taxes	119.38	43.74
Security Charges	34.65	36.13
Selling and Marketing Expenses	606.94	175.83
Travelling and Conveyance	185.88	167.21
Total	2,760.54	2,174.95

(₹ in Lakhs)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Payment to auditor		
As auditor:		
Statutory Audit fee (excluding taxes)	16.25	9.50
In other capacity:		
Other Services (Certification Fees)	0.10	0.50
Reimbursement of expenses	2.90	1.91
Total	19.25	11.91
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	6,948.64	6,194.43
Net Profit for calculation of basic EPS	6,948.64	6,194.43
Net Profit as above	6,948.64	6,194.43
Net Profit for diluted EPS	6,948.64	6,194.43
Weighted average number of equity shares in calculating diluted EPS	271.82	271.82
(a) Basic (₹)	25.56	22.79
(b) Diluted (₹)	25.56	22.79

25 Employee Benefits

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

Defined Contribution Plans

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

Defined Benefit Plan

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

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

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Defined Benefit obligation at beginning of the year	362.27	274.66
Current Service Cost	58.45	38.91
Interest Cost	8.08	4.58
Past Service Cost	26.79	-
Actuarial (gain) / loss	(62.50)	31.82
Benefits paid	(22.00)	(5.31)
Defined Benefit obligation at year end	371.09	344.66

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

Particulars	Gratuity (Unfunded)	
	2018	2017
Net (Asset)/Liability at the beginning of year	362.27	274.66
Expenses Recognized in Statement of Profit and Loss	93.32	43.49
Expenses Recognized in OCI	(62.50)	31.82
Benefit paid	(22.00)	(5.31)
Net (Asset)/Liability at the end of year	371.09	344.66

III) Amount recognised in Balance Sheet

Particulars	Gratuity (Unfunded) As at 31 st March	
	2018	2017
Present value of defined benefit obligation	(389.59)	(362.27)
Amount recognised in Balance Sheet	(389.59)	(362.27)

IV) Expenses recognised during the year

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Current Service Cost	58.45	38.91
Net Interest Cost	8.08	4.58
Past Service Cost	26.79	-
Actuarial (gain) / loss	-	-
Other Transfer	-	-
Net Cost	93.32	43.49

V) Expenses recognised in Other Comprehensive Income

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Actuarial (Gains)/Losses on Obligation For the Year	(62.50)	31.82
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(62.50)	31.82

VI) Actuarial assumptions

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Mortality Table	IAL (2006-08)	IAL (2006-08)
Discount rate (per annum)	7.85%	7.34%
Expected rate of salary increase (per annum)	8.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%

VII) Sensitivity Analysis

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

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

(₹ in Lakhs)

Sensitivity Analysis	2017-18	2016-17
Projected Benefit Obligation on Current Assumptions	389.59	362.27
Delta Effect of +1% Change in Rate of Discounting	(45.43)	(42.75)
Delta Effect of -1% Change in Rate of Discounting	45.43	51.82
Delta Effect of +1% Change in Rate of Salary Increase	39.48	50.96
Delta Effect of -1% Change in Rate of Salary Increase	(42.69)	(42.88)
Delta Effect of +1% Change in Rate of Employee Turnover	(9.96)	(3.80)
Delta Effect of -1% Change in Rate of Employee Turnover	1.01	4.29

Notes:

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

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

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

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

Qualitative Disclosures

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity."

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

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

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

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

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

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost.

Gratuity plan is unfunded.

26 Related party disclosures

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

26 (a) Related Party Transactions

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

(₹ in Lakhs)

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
Purchase of Goods & Services	-	-	-	-	-	-	114.50	149.02	13.50	20.73	128.00	169.75
Sneha Arts	-	-	-	-	-	-	19.92	27.64	-	-	19.92	27.64
Sneha Creation	-	-	-	-	-	-	9.01	-	-	-	9.01	-
Think Walnut Digital Private Limited	-	-	-	-	-	-	85.57	121.38	-	-	85.57	121.38
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	13.50	20.73	13.50	20.73
Sale Of Goods & Services	48.03	43.78	-	-	-	-	-	-	-	-	48.03	43.78
Contentino Media LLP	48.03	43.78	-	-	-	-	-	-	-	-	48.03	43.78
Interest Received On Loan	63.56	178.80	-	-	-	-	-	-	-	-	63.56	178.80
Shemaroo Entertainment (UK) Pvt. Ltd.	1.05	34.39	-	-	-	-	-	-	-	-	1.05	34.39
Shemaroo Entertainment INC, USA	0.94	0.68	-	-	-	-	-	-	-	-	0.94	0.68
Shemaroo Think Tank Entertainment LLP	39.45	114.55	-	-	-	-	-	-	-	-	39.45	114.55
Contentino Media LLP	22.12	29.19	-	-	-	-	-	-	-	-	22.12	29.19
Salaries	-	-	338.13	328.05	10.12	10.11	-	-	-	-	348.25	338.16
Bipin Dharod	-	-	32.40	32.40	-	-	-	-	-	-	32.40	32.40
Hemant Karani	-	-	55.40	55.40	-	-	-	-	-	-	55.40	55.40
Ketan Maroo	-	-	38.40	38.40	-	-	-	-	-	-	38.40	38.40
Harakhchand Gada	-	-	22.60	27.40	-	-	-	-	-	-	22.60	27.40
Vinod Karani	-	-	124.45	102.39	-	-	-	-	-	-	124.45	102.39
Smita Maroo	-	-	29.88	29.87	-	-	-	-	-	-	29.88	29.87
Mansi Maroo	-	-	4.69	4.69	-	-	-	-	-	-	4.69	4.69
Madhuri Gada	-	-	-	-	10.12	10.11	-	-	-	-	10.12	10.11
Kranti Gada	-	-	18.12	18.12	-	-	-	-	-	-	18.12	18.12
Ankit Singh	-	-	-	11.60	-	-	-	-	-	-	-	11.60
Dipesh Gosar	-	-	12.20	7.80	-	-	-	-	-	-	12.20	7.80
Directors Sitting Fees	-	-	2.20	1.60	-	-	-	-	-	-	2.20	1.60
Jai Maroo	-	-	1.20	0.80	-	-	-	-	-	-	1.20	0.80
Buddhichand Maroo	-	-	1.00	0.80	-	-	-	-	-	-	1.00	0.80
Remuneration to Directors	-	-	117.56	117.52	-	-	-	-	-	-	117.56	117.52
Raman Maroo	-	-	42.52	42.51	-	-	-	-	-	-	42.52	42.51
Atul Maru	-	-	42.52	42.51	-	-	-	-	-	-	42.52	42.51
Hiren Gada	-	-	32.52	32.51	-	-	-	-	-	-	32.52	32.51
Interest Paid (on Loans)	-	-	408.12	387.98	-	-	-	-	-	-	408.12	387.98
Raman Maroo	-	-	172.42	165.99	-	-	-	-	-	-	172.42	165.99
Atul Maru	-	-	202.02	198.92	-	-	-	-	-	-	202.02	198.92
Hiren Gada	-	-	2.96	1.12	-	-	-	-	-	-	2.96	1.12
Buddhichand Maroo	-	-	9.75	3.13	-	-	-	-	-	-	9.75	3.13
Jai Maroo	-	-	20.96	18.82	-	-	-	-	-	-	20.96	18.82

26 (a) Related Party Transactions

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

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
Advances/Loans Given during the year	147.00	605.84	-	20.00	-	-	-	-	-	-	147.00	625.84
Shemaroo Entertainment (UK) Pvt. Ltd.	14.13	55.06	-	-	-	-	-	-	-	-	14.13	55.06
Shemaroo Entertainment INC, USA	2.62	1.70	-	-	-	-	-	-	-	-	2.62	1.70
Shemaroo Think Tank Entertainment LLP	42.26	347.76	-	-	-	-	-	-	-	-	42.26	347.76
Contentino Media LLP	88.00	201.31	-	-	-	-	-	-	-	-	88.00	201.31
Vinod Karani	-	-	-	20.00	-	-	-	-	-	-	-	20.00
Loans Taken during the year	-	-	3,440.83	2,985.79	-	-	-	-	-	-	3,440.83	2,985.79
Atul Maru	-	-	2,636.37	1,671.66	-	-	-	-	-	-	2,636.37	1,671.66
Buddhichand Maroo	-	-	61.55	50.00	-	-	-	-	-	-	61.55	50.00
Jai Maroo	-	-	27.93	24.78	-	-	-	-	-	-	27.93	24.78
Raman Maroo	-	-	694.33	1,219.35	-	-	-	-	-	-	694.33	1,219.35
Hiren Gada	-	-	20.65	20.00	-	-	-	-	-	-	20.65	20.00
Dues from Related Parties	37.45	1,170.86	-	4.65	-	-	-	-	-	-	37.45	1,175.51
Shemaroo Entertainment INC, USA	12.27	8.71	-	-	-	-	-	-	-	-	12.27	8.71
Shemaroo Entertainment (UK) Pvt. Ltd.	16.63	-	-	-	-	-	-	-	-	-	16.63	-
Vinod Karani	-	-	-	4.65	-	-	-	-	-	-	-	4.65
Shemaroo Think Tank Entertainment LLP	-	754.46	-	-	-	-	-	-	-	-	-	754.46
Contentino Media LLP	8.55	407.69	-	-	-	-	-	-	-	-	8.55	407.69
Dues to Related Parties	91.83	92.75	2,909.97	4,135.00	-	-	124.66	89.53	25.59	16.91	3,152.05	4,334.20
Atul Maru	-	-	1,264.62	2,094.94	-	-	-	-	-	-	1,264.62	2,094.94
Buddhichand Maroo	-	-	111.37	52.80	-	-	-	-	-	-	111.37	52.80
Hiren Gada	-	-	34.65	15.00	-	-	-	-	-	-	34.65	15.00
Jai Maroo	-	-	186.53	167.69	-	-	-	-	-	-	186.53	167.69
Raman Maroo	-	-	1,312.80	1,804.57	-	-	-	-	-	-	1,312.80	1,804.57
Sneha Arts	-	-	-	-	-	-	0.84	18.39	-	-	0.84	18.39
Sneha Creations	-	-	-	-	-	-	0.01	-	-	-	0.01	-
Think Walnut Digital Private Limited	-	-	-	-	-	-	123.82	71.15	-	-	123.82	71.15
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Canopy Entertainment Pvt.Ltd.	-	-	-	-	-	-	-	-	25.59	16.91	25.59	16.91
(Formerly known as Shemaroo Films Private Ltd)	91.83	92.75	-	-	-	-	-	-	-	-	91.83	92.75

Company has taken collective personal guarantee from related parties to the tune of Rs. 20,895 lakhs, 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)	
	March 2018	March 2017
i. Short-term benefits	447.57	437.39
ii. Post employment benefits	8.11	8.18
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

27 First time IND AS adoption

For all periods upto and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP.

27.1 Mandatory exception and optional exemptions availed on first time adoption of Ind AS.

Exception:

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively.

Exemptions:

Investment in Subsidiary, Joint Ventures and Associates

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e, 1st April, 2016.

Deemed cost for property, plant and equipment and intangible assets

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

ii) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

27.2 Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- (a) Balance Sheet and equity reconciliation
- (b) Profit and Loss and Other Comprehensive Income reconciliation
- (c) Adjustment to Statement of Cash Flows

(a) Effect of IND AS adoption on Balance Sheet**(₹ in Lakhs)**

Particulars	as at 31st March'17			as at 1st April'16		
	as per IGAAP	Effect of transition to IND AS	as per IND AS	as per IGAAP	Effect of transition to IND AS	as per IND AS
ASSETS						
I Non-Current Assets						
(a) Property, Plant and Equipment	3,356.61	-	3,356.61	2,837.43	-	2,837.43
(b) Capital work-in-progress	-	-	-	138.23	-	138.23
(c) Other intangible assets	89.83	-	89.83	91.95	-	91.95
(d) Financial assets	-	-	-	-	-	-
(i) Non-Current Investments	1,199.00	-	1,199.00	1,201.90	-	1,201.90
(ii) Trade Receivables	1,199.00	-	1,199.00	1,201.90	-	1,201.90
(ii) Loans and Advances	677.04	-	677.04	610.14	-	610.14
(iii) Other Financial assets	32.50	(6.58)	25.92	10.50	-	10.50
(e) Other non-current assets	342.19	6.58	348.77	449.76	-	449.76
Total Non-Current Assets	6,896.16	-	6,896.16	6,541.80	-	6,541.80
II Current assets						
(a) Inventories	49,731.71	-	49,731.71	38,375.17	-	38,375.17
(b) Financial assets	-	-	-	-	-	-
(i) Trade receivables	19,081.54	(40.28)	19,041.26	10,678.55	(40.22)	10,638.33
(ii) Cash and Cash equivalents	113.83	-	113.83	106.85	-	106.85
(iii) Loans and Advances	1,159.11	-	1,159.11	1,148.75	-	1,148.75
(c) Other current assets	3,286.96	3.41	3,290.37	6,474.34	1.40	6,475.74
Total Current Assets	73,373.16	(36.87)	73,336.28	56,783.67	(38.82)	56,744.84
Total Assets	80,269.32	(36.87)	80,232.45	63,325.47	(38.82)	63,286.65
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	2,718.22	-	2,718.22	2,718.22	-	2,718.22
(b) Other Equity	40,658.83	(27.97)	40,630.86	34,480.19	435.07	34,915.26
Equity attributable to owners	43,377.05	(27.97)	43,349.08	37,198.41	435.07	37,633.48
Non-controlling Interest	-	-	-	-	-	-
Total Equity	43,377.05	(27.97)	43,349.08	37,198.41	435.07	37,633.48
Liabilities						
I Non-current liabilities						
(a) Financial Liabilities						
Non-Current borrowings	1,997.28	(686.61)	1,310.67	2,291.29	9.19	2,300.48
(b) Provisions	96.39	-	96.39	67.15	-	67.15
(c) Deferred tax Liabilities (Net)	657.80	(14.80)	642.99	669.06	(12.15)	656.91
(d) Other Non-Current Liabilities	-	-	-	-	-	-
Total Non-Current Liabilities	2,751.46	(701.42)	2,050.05	3,027.49	(2.96)	3,024.53
II Current liabilities						
(a) Financial Liabilities						
(i) Current Borrowings	25,407.82	-	25,407.82	15,436.49	-	15,436.49
(ii) Trade payables	1,974.41	-	1,974.41	1,112.72	-	1,112.72
(iii) Other Financial Liabilities	2,483.24	690.50	3,173.75	3,656.01	(16.48)	3,639.53
(b) Other Current Liabilities	613.55	2.01	615.56	297.34	3.57	300.91
(c) Provisions	123.56	-	123.56	524.18	(458.02)	66.15
(d) Current Tax Liabilities (net)	2,339.22	-	2,339.22	870.93	-	870.93
Total Current Liabilities	32,941.81	692.51	33,634.32	21,897.66	(470.93)	21,426.73
Total Liabilities	35,693.27	(8.90)	35,684.37	24,925.16	(473.89)	24,451.27
Total Equity and Liabilities	79,070.32	(36.87)	79,033.45	62,123.57	(38.82)	62,084.75

(b) Effect of IND AS adoption on Total Comprehensive Income**(₹ in Lakhs)**

Particulars	as at 31 st March'17		
	as per IGAAP	Effect of transition to IND AS	as per IND AS
I. Income			
Revenue from operations	41,474.65	-	41,474.65
Other income	475.64	2.37	478.01
Total Income	41,950.29	2.37	41,952.66
II. Expenses			
Operational Cost	23,504.70	-	23,504.70
Employee benefits expense	3,031.06	(31.82)	2,999.24
Finance costs	3,232.10	9.62	3,241.72
Depreciation and amortization expense	416.51	-	416.51
Other expenses	2,174.53	0.42	2,174.95
Total Expenses	32,358.91	(21.79)	32,337.12
III. Profit before tax (I-II)	9,591.38	24.16	9,615.53
IV. Tax expense			
Current tax	3,424.00	-	3,424.00
Deferred tax	(0.25)	(2.65)	(2.90)
Total Tax expense	3,423.75	(2.65)	3,421.10
V. Profit for the year (III-IV)	6,167.63	26.81	6,194.43
VI. Other Comprehensive Income			
- Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans	-	(31.82)	(31.82)
Tax relating to items that will not be reclassified to profit and loss	-	11.01	11.01
Total Other Comprehensive Income	-	(20.81)	(20.81)
VII. Total comprehensive income for the year (V + VI)	6,167.63	6.00	6,173.63

(c) Effect of IND AS adoption on Profit & Equity

Particulars	Net Profit	Equity	
	Year ended 31-03-17	As at 31-03-17	As at 01-04-16
Net Profit/Equity as per IGAAP	6,167.63	43,377.05	37,198.41
Add / (Less):			
Non-Current Borrowings at amortised cost	(9.62)	(5.90)	3.72
Trade Receivables	(0.06)	(40.28)	(40.22)
Deferred Rent	2.01	3.41	1.40
Deferred Tax	13.67	25.82	12.15
Proposed Dividend	-	-	458.02
Net Profit/Equity under IND AS	6,173.63	43,360.09	37,633.48

(d) Adjustment to Statement of Cash Flows

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

27.3 Explanations for reconciliation of Balance Sheet and Statement of Profit and Loss and Other Comprehensive Income as previously reported under IGAAP to IND AS.

(a) Fair Value of Financial Assets and Liabilities:

The Company has valued financial assets and Liabilities (other than Investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.

(b) Remeasurements of defined benefit plans:

Remeasurement i.e., actuarial gains or loss on gratuity are recognised in Other Comprehensive Income instead of Statement of Profit and Loss. Under the Previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year.

(c) Tax Adjustments

Tax Adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

28 Financial Instruments

28.1 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'18				as at 31 st March'17				as at 1 st April'16			
	Level of inputs used in				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	Carrying amount	Level 1	Level 2	Level 3
I. Financial Assets												
- At amortised cost												
Investments	3,545.02	-	-	-	1,199.00	-	-	-	1,201.90	-	-	-
Trade Receivables	13,871.28	-	-	-	19,041.26	-	-	-	10,638.33	-	-	-
Loans & Advances	71.68	-	-	-	1,836.15	-	-	-	1,758.89	-	-	-
Cash & Cash Equivalents	108.25	-	-	-	113.83	-	-	-	106.85	-	-	-
Security Deposit Given	26.65	-	-	26.65	18.42	-	-	15.42	3.00	-	-	-
Other Financial assets	7.50	-	-	-	7.50	-	-	-	7.50	-	-	-
II. Financial Liabilities												
- At amortised cost												
Borrowings	18,794.28	-	-	18,794.28	26,718.48	-	-	26,718.48	17,736.96	-	-	17,736.96
Trade Payables	1,759.43	-	-	-	1,974.41	-	-	1,974.41	1,112.72	-	-	-
Security Deposit Received	17.75	-	-	17.75	15.99	-	-	15.99	14.43	-	-	14.43
Other Financial Liabilities*	1,328.66	-	-	-	3,157.76	-	-	-	3,625.10	-	-	-

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

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

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

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

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

28.2 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 :

(Figures in Lakhs)

Particulars	Currency	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Financial Assets				
Trade Receivables	USD (\$)	5.60	3.45	3.15
	GBP (£)	-	-	0.16
Cash & Cash Equivalents		-	-	-
Loans to subsidiaries	USD (\$)	0.17	0.11	0.08
	GBP (£)	0.18	-	3.43
Other Non-Current Assets				
Advances to Vendors		-	-	-
Other Current Assets				
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.00	0.00	0.20
	EURO (€)	-	-	0.01
	GBP (£)	-	-	0.07
	NPR (₨)	-	-	0.01
Financial Liabilities				
Trade Payable	LKR (₹)	-	10.11	-
	USD (\$)	0.19	-	0.23
	EURO (€)	-	-	0.02
Other Current Liabilities				
Advances received from Customers	USD (\$)	-	0.12	0.04

29 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 is bearing investments will vary because of fluctuations in interest rates. The Company's exposure to the risk of changes in market interest rates primarily linked 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'18		Year ended 31 st March'17	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	9.53	(9.53)	12.60	(12.60)
Impact on total equity as at the end of the reporting Year	9.53	(9.53)	12.60	(12.60)

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 2018	As at 31 st March 2017	As at 1 st April 2016
Trade receivables (Unsecured)			
over six months	465.61	487.30	406.56
less than six months	13,444.11	18,594.23	10,271.98
Total	13,909.72	19,081.54	10,678.55

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 that is generated from operations. The company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provided adequate liquidity in short term as well in the long term.

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

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Due in 1 year	Due in 2 - 3 years	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	21,687.47	-	30,555.97	-	20,188.74	-
Borrowings	-	212.66	-	1,310.67	-	2,300.48
Total	21,687.47	212.66	30,555.97	1,310.67	20,188.74	2,300.48

*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 2018	As at 31 st March 2017	As at 1 st April 2016
Debt			
Long Term Borrowings (Including Current Maturity of Long Term Debts)	1,510.19	4,210.04	4,121.58
Short Term Borrowings	18,581.63	25,407.82	15,436.49
Cash & Bank Balances	(108.25)	(113.83)	(106.85)
Total debt (A)	19,983.56	29,504.02	19,451.21
Equity			
Equity Share Capital	2,718.22	2,718.22	2,718.22
Other Equity	47,162.35	40,630.86	34,915.26
Total equity (B)	49,880.57	43,349.08	37,633.48
Net Debt to Equity Ratio (A/B)	40.06%	68.06%	51.69%

30 Leases**(i) Finance lease**

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

(ii) Operating lease

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

(a) Assets taken on Operating Lease:

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

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

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Minimum lease payments :		
Not later than one year	97.27	3.60
Later than one year but not later than five years	248.69	-

(b) Assets given on Operating Lease

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

31 Additional information to financial statements**31.1 Approval of financial statements**

Financial statements were approved for issue by Board of Directors on 15th May'2018.

31.2 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.

31.3 Events after Reporting Period

Dividend on equity shares is approved by the Board of Directors in their meeting held on 15th May'18, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend Distribution Tax thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Proposed dividend on equity shares for the year ended 31st March'18: ₹ 1.55 per share and the cash flow including Dividend Distribution Tax aggregates to ₹ 507.92 lakhs.

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

- (a) Loan given by company to body corporate as at 31st March'18. (Refer note 8(c))
- (b) Investment made by the company as at 31st March'18. (Refer note 5(a))
- (c) No Guarantee has been given by the company as at 31st March'18.

31.5 Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Disputed Direct Tax Demands	19.46	148.41
Disputed Indirect Tax Demands	159.49	154.64
Legal Cases against the company	144.58	136.40
Bill of exchange discounted with Bank	1,350.00	-
	1,673.54	439.46

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.

31.6 Prior Year Comparatives

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

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

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Nil during 2017-18 (Previous year 2016-17 Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

31.8 Custom duty and interest thereon aggregating ₹ 104.24/- Lakhs, is paid under protest in the Financial Year Ended 31.03.2008. The same is included in Other Non-Current Assets.

31.9 Disclosure under IND-AS - 108

For FY 2017-2018, revenue from top 2 customers accounted for ₹ 16,992 lakhs. For FY 2016-2017, no single customer accounted for more than 10% of the revenues.

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

31.11 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 ₹ 164 Lakhs and company has spent ₹ 166 Lakhs.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Consolidated IndAS Financial Statements

We have audited the accompanying consolidated IndAS financial statements of Shemaroo Entertainment Limited (hereinafter referred to as "Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group" and its Associates), which comprise the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including other Comprehensive Income, the consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated IndAS financial Statements).

Management's Responsibility for the Consolidated IndAS 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 IndAS 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, read with the Companies (Indian Accounting Standards) Rules 2015 as amended. The respective Board of Directors / Management of the companies / entities in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated IndAS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS, of the consolidated state of affairs of the Group, its associates as at 31st March, 2018, and their consolidated financial performance including other Comprehensive income , their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters:

We did not audit the financial statements of a subsidiary company whose financials statements reflect total asset of Rs. 1.79 lakhs as at 31st March 2018, total Revenue of Rs. 0.003 lakhs and net cash flows amounting to Rs. (40.62) lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub – sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

We did not audit the financial statements of a subsidiary company and 2 subsidiary LLPs whose financial statements reflect total assets of Rs. 2,088.63 lakhs as at 31st March 2018, total Revenue of Rs. 1,277.47 lakhs and net cash flows amounting to Rs. (12.14) lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub – sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid

subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the Management, these financial statements are not material to the Group.

The above mentioned two subsidiary companies are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditors in case of one of the subsidiaries under generally accepted auditing standards applicable in its respective country. The Company's Management has converted the financial statements of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our audit report in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors in case of one subsidiary and based on the representation from the Management in case of the other and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated IndAS financial statements, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated IndAS financial statements.

- (d) In our opinion, the aforesaid IndAS consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with 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, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group and its associates.
 - ii. The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.

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

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: 15 May, 2018
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of Shemaroo Entertainment Limited ("the Holding Company") and its subsidiary and associates companies incorporated in India as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

**S. Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

**Date: 15 May, 2018
Place: Mumbai**

Consolidated Balance Sheet

As At 31st March, 2018

(₹ in lakhs)

Particulars	Note	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
ASSETS				
I Non-Current Assets				
(a) Property, Plant and Equipment	3	3,225.18	3,370.75	2,845.11
(b) Capital work-in-progress		-	-	138.23
(c) Other intangible assets	4	100.97	106.24	113.83
(d) Financial assets				
(i) Non-Current Investments	5 (a)	669.22	722.63	807.39
(ii) Loans & Advances	5 (b)	-	677.04	610.14
(iii) Other Financial assets	5 (c)	34.15	34.00	18.58
(e) Other non-current assets	6	307.96	348.77	449.76
Total Non-Current Assets		4,337.48	5,259.42	4,983.02
II Current assets				
(a) Inventories	7	52,971.15	50,043.62	38,764.20
(b) Financial assets				
(i) Trade receivables	8 (a)	14,057.11	19,054.35	10,651.47
(ii) Cash and Cash equivalents	8 (b)	130.37	188.74	194.49
(iii) Loans & Advances	8 (c)	44.13	31.13	43.85
(c) Other current assets	9	1,595.08	3,468.09	6,621.85
Total Current Assets		68,797.83	72,784.93	56,275.85
Total Assets		73,135.31	78,044.35	61,258.88
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10	2,718.00	2,718.00	2,718.00
(b) Other Equity				
Reserves & surplus	11	46,624.95	39,927.42	34,208.07
Equity attributable to owners		49,342.95	42,645.42	36,926.07
Non-controlling Interest		(364.13)	(318.95)	(80.97)
Total Equity		48,978.82	42,326.47	36,845.10
Liabilities				
I Non-current liabilities				
(a) Financial Liabilities				
Non-Current borrowings	12	212.66	1,310.67	2,300.48
(b) Provisions	13	161.76	96.39	67.15
(c) Deferred tax Liabilities (Net)	14	358.29	642.99	656.91
Total Non-Current Liabilities		732.71	2,050.05	3,024.53
II Current liabilities				
(a) Financial Liabilities				
(i) Current Borrowings	15 (a)	18,581.63	25,407.82	15,436.49
(ii) Trade payables	15 (b)	1,811.14	1,904.25	1,052.43
(iii) Other Financial Liabilities	15 (c)	1,355.82	3,197.27	3,649.13
(b) Other Current Liabilities	16	280.59	696.04	313.89
(c) Provisions	17 (a)	147.85	123.56	66.15
(d) Current Tax Liabilities (net)	17 (b)	1,246.54	2,339.22	870.93
Total Current Liabilities		23,423.56	33,668.16	21,389.02
Total Liabilities		24,156.27	35,718.21	24,413.55
Total Equity and Liabilities		73,135.09	78,044.67	61,258.65
See accompanying notes forming part of the financial statements	1-33			

As per our report of even date.

For and on behalf of the Board of
Shemaroo Entertainment LimitedFor M. K. Dandekar & Co.
Chartered Accountants
ICAI FRN: 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: Mumbai
Date: 15th May 2018Place: Mumbai
Date: 15th May 2018

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note	Year ended 31 st March 2018	Year ended 31 st March 2017
I. Income			
Revenue from operations	18	48,863.19	42,553.17
Other income	19	173.51	299.49
Total Income		49,036.70	42,852.66
II. Expenses			
Operational Cost	20	27,828.05	24,378.11
Employee benefits expense	21	3,968.52	3,082.15
Finance costs	22	3,071.83	3,242.61
Depreciation and amortization expense	3 & 4	512.52	427.78
Other expenses	23	2,856.79	2,305.58
Total Expenses		38,237.72	33,436.22
III. Profit before tax		10,798.98	9,416.44
IV. Tax expense			
Current tax		3,980.61	3,424.00
Deferred tax	14	(306.33)	(2.90)
Total Tax expense		3,674.28	3,421.10
V. Profit for the year		7,124.70	5,995.34
VI. Non-Controlling interest		45.18	264.53
VII. Share in associates		(53.41)	(84.76)
VIII. Profit for the year (A)		7,116.48	6,175.11
IX. Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of defined benefit plans		62.50	(31.82)
Tax relating to items that will not be reclassified to Profit and Loss		(21.63)	11.01
Items that will be reclassified to Profit and Loss			
Exchange differences in translating the financial statements of a foreign operation		(3.63)	30.56
Total Other Comprehensive Income (B)		37.25	9.75
X. Total comprehensive income for the year (A + B)		7,153.73	6,184.86
XI. Earnings per equity share [face value of share ₹ 10]	24		
(a) Basic (₹)		2.63	2.28
(b) Diluted (₹)		2.63	2.28
See accompanying notes forming part of the financial statements	1-33		

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018

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

Raman Maroo

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.: A23755

Place: Mumbai

Date: 15th May 2018

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

Consolidated Cash Flow Statementfor the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,798.98	9,414.46
Adjustments for :		
Depreciation & Amortisation	512.52	429.76
Dividend Income	(0.60)	(1.01)
Financial Cost	3,135.39	3,421.41
Liabilities no longer required written back	(0.21)	(18.84)
Interest Income	(173.97)	(417.22)
Property, Plant and Equipment	-	(0.34)
Urealised foreign exchange Gain/(Loss)	(3.38)	26.51
Provision for Compensated leave absences	53.20	7.93
Provision for Gratuity	35.16	75.31
Bad Debts written off	17.89	22.75
Operating profit before working capital changes	14,374.99	12,960.71
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	7,590.92	(5,394.81)
Decrease/(Increase) in Inventories	(2,927.53)	(11,279.42)
Increase/(Decrease) in Trade or Other Payable	(775.35)	(259.27)
Cash generated from/ (used in) operations	18,263.03	(3,972.79)
Direct Taxes paid (net)	5,011.96	1,838.15
Net cash from/ (used in) operating activities	13,251.07	(5,810.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	-	0.66
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(362.10)	(807.96)
Investment in Subsidiaries	(2,346.02)	2.90
Loan to Subsidiaries	1,100.43	(20.97)
Dividend Income	0.60	1.01
Interest Income	173.97	417.22
Net cash from/ (used in) investing activities	(1,433.13)	(407.12)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in capital	2,344.02	21.42
Dividend Paid	(380.55)	(380.55)
Tax on Dividend Paid	(77.47)	(77.47)
Increase/(Decrease) in Non-Current Borrowings	(2,699.85)	(995.43)
Increase/(Decrease) in Current Borrowings	(7,927.06)	11,067.02
Financial Cost	(3,135.39)	(3,422.67)
Net cash from/(used in) financing activities	(14,220.33)	6,190.89
Net increase/(decrease) in cash and cash equivalents	(58.37)	(5.75)
Cash and cash equivalents as at the beginning of the year	188.74	194.49
Cash and cash equivalents as at the end of the year	130.37	188.74
See accompanying notes forming part of the financial statements		

As per our report of even date.

For M. K. Dandekar & Co.Chartered Accountants
ICAI FRN: 000679S**S. Poosaidurai**Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018**For and on behalf of the Board of
Shemaroo Entertainment Limited****Raman Maroo**Managing Director
DIN 00169152**Dipesh Gosar**Company Secretary
Membership No.:A23755

Place: Mumbai

Date: 15th May 2018**Atul Maru**Jt. Managing Director
DIN 00169264**Hiren Gada**CEO & CFO
DIN 01108194

Consolidated Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Notes	Balance at the beginning of the reporting period		Changes in equity share capital during the year		Balance at the end of the reporting period	
		as at 1 st April 2017	as at 1 st April 2016	as at 31 st March 2018	as at 31 st March 2017	as at 31 st March 2018	as at 31 st March 2017
Equity Share Capital	10	2,718.00	2,718.00	-	-	2,718.00	2,718.00

B. Other Equity

(₹ in Lakhs)

Particulars	Notes	Reserves & Surplus			Other Comprehensive Income		Total
		Securities premium account	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Plan	
Balance as at 1st April 2016		14,340.81	2,112.81	17,757.70	(3.25)		34,208.07
Total Comprehensive Income for the year	11	-	-	6,175.11	7.74		6,182.85
Dividends (including Dividend Distribution Tax)				(458.02)			(458.02)
Balance as at 31st March 2017		14,340.81	2,112.81	23,474.79	4.48	-	39,932.89
Balance as at 1st April 2017	11	14,340.81	2,112.81	23,469.31	4.48		39,927.42
Total Comprehensive Income for the year	11	-	-	7,116.48	39.07		7,155.56
Dividends (including Dividend Distribution Tax)				(458.02)			(458.02)
Balance as at 31st March 2018		14,340.81	2,112.81	30,127.77	43.56	-	46,624.95

As per our report of even date.

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

S. Poosaidurai
Partner
Membership No.: 223754

Place: Mumbai
Date: 15th May 2018

For and on behalf of the Board of Shemaroo Entertainment Limited

Raman Maroo
Managing Director
DIN 00169152

Dipesh Gosar
Company Secretary
Membership No.: A23755

Place: Mumbai
Date: 15th May 2018

Atul Maru
Jt. Managing Director
DIN 00169264

Hiren Gada
CEO & CFO
DIN 01108194

NOTES

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 Mar 2018	31 st Mar 2017
Shemaroo Entertainment Inc. Wholly owned Subsidiary	15 th March, 2007	United States of America	100%	100%
Shemaroo Entertainment (UK) Pvt. Ltd Wholly owned Subsidiary	8 th July, 2009	United Kingdom	100%	100%
Canopy Entertainment Private Limited (Formerly known as Shemaroo Films Private Limited) Wholly owned Subsidiary	31 st October, 2012	India	100%	100%
Contentino Media LLP Subsidiary LLP	25 th August, 2015	India	65%	65%
Shemaroo Think Tank Entertainment LLP Subsidiary LLP	12 th October, 2015	India	99.99%	99.99%
Vistaas Digital Media Private Limited Associate Company	17 th September, 2009	India	50%	50%

2 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.

Upto the year ended 31st March, 2017, the company has prepared its consolidated financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These consolidated financial statements are the Group's first Ind AS consolidated financial statements. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

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

3 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:

- 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.
- 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.
- 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.

4 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.

5 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 items will flow to the Group and cost can be measured reliably.

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

(c) Depreciation and amortisation

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

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

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

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

Computer Software	5 years
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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 expensed in the period 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) 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, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity

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

(m) Tax Expenses

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

Current Tax

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

Deferred Tax

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

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

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

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

(n) Foreign currencies transactions and translation

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(o) Revenue recognition

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

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

Sale of goods

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

Income from Services

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

(p) Other income

i) Interest Income

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

ii) Dividend Income

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

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

(q) Purchase of rights

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

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

(r) Earnings per share

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

(s) Provisions & Contingencies

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

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.

3 Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Computer Hardware & Equipments	Total
Cost or Deemed Cost						
At 1 st April 2016	1,782.66	184.25	84.93	791.97	1.30	2,845.11
Additions	825.56	0.73	84.79	2.17	5.84	919.09
Disposals	(483.69)	(1.31)	-	-	(0.32)	(485.32)
At 31st March 2017	2,124.53	183.66	169.72	794.14	6.82	3,278.88
Additions	314.15	1.61	14.63	-	-	330.38
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	(0.41)	(0.41)
At 31st March 2018	2,438.68	185.27	184.35	794.14	6.41	3,608.85
Depreciation						
At 1 st April 2016	-	-	-	-	-	-
Charge for the year	303.15	30.49	41.40	16.01	4.06	395.11
Disposals	(485.39)	(1.31)	(0.27)	-	-	(486.98)
At 31st March 2017	(182.25)	29.17	41.13	16.01	4.06	(91.87)
Charge for the year	401.95	29.69	26.44	16.06	1.41	475.54
Disposals	-	-	-	-	-	-
At 31st March 2018	219.70	58.86	67.57	32.07	5.47	383.67
Net Block						
At 1 st April 2016	1,782.66	184.25	84.93	791.97	1.30	2,845.11
At 31 st March 2017	2,306.78	154.49	128.59	778.13	2.76	3,370.75
At 31 st March 2018	2,218.99	126.41	116.78	762.07	0.94	3,225.18

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

4 Other Intangible assets

(₹ in Lakhs)

	Software	Trade Mark	Total
Cost or Deemed Cost			
At 1 st April 2016	91.95	21.88	113.83
Purchase	27.06	-	27.06
Disposals	(4.00)	-	(4.00)
At 31st March 2017	115.01	21.88	136.88
Purchase	31.72	-	31.72
Disposals	-	-	-
At 31st March 2018	146.72	21.88	168.60
Accumulated amortisation			
At 1 st April 2016	-	-	-
Charge for the year	29.18	5.47	34.65
Disposals	(4.00)	-	(4.00)
At 31st March 2017	25.18	5.47	30.65
Charge for the year	32.88	4.10	36.98
Disposals	-	-	-
At 31st March 2018	58.06	9.57	67.63
Net Block			
At 1 st April 2016	91.95	21.88	113.83
At 31 st March 2017	89.83	16.41	106.24
At 31 st March 2018	88.67	12.30	100.97

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
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) 45000 (31 st March 2017: 45000, 1 st April 2016: 45000) Equity shares of ₹10/- each fully paid up of Vistaas Digital Media Private Limited	45.00	45.00	45.00
Goodwill	1,016.39	1,016.39	1,016.39
Share of Loss	(397.16)	(343.76)	(259.00)
In Equity shares, Unquoted, fully paid up			
(vii) 50000 (31 st March 2017: 50000, 1 st April 2016: 50000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00	5.00
Total	669.22	722.63	807.39
OTHER DISCLOSURES			
Aggregate amount of unquoted Investment	669.22	722.63	807.39
	669.22	722.63	807.39
(a) Category-wise Non-Current Investments			
Financial Assets measured at Cost	669.22	722.63	807.39
Total	669.22	722.63	807.39
(b) Loans & Advances			
Loans to employees	-	-	5.51
Loans to others	-	677.04	604.63
Total	-	677.04	610.14
(c) Other Financial Assets			
Bank Deposits with more than 12 months maturity	7.50	7.50	7.50
Security Deposit	26.65	26.50	11.08
Total	34.15	34.00	18.58
6 Other Non- Current Assets			
Other Taxes Receivable	159.88	206.77	308.88
Balance with Customs and Central Excise Authorities	106.91	106.91	106.91
Prepaid lease payments	7.35	6.58	-
Advances to Vendors	33.82	28.51	33.97
Total	307.96	348.77	449.76

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
CURRENT ASSETS			
7 Inventories			
Work-in-Progress			
Media content under Production	380.22	331.83	263.04
Stock-in-Trade			
DVDs, VCDs & ACDs	102.17	111.84	151.97
Copyrights	52,488.76	49,599.96	38,349.19
Total	52,971.15	50,043.62	38,764.20
8 Financial Assets			
(a) Trade receivables			
Unsecured Trade receivables			
- considered good	14,095.55	19,094.63	10,691.69
Expected Credit loss allowance	(38.45)	(40.28)	(40.22)
Total	14,057.11	19,054.35	10,651.47
<u>Movement in expected credit loss allowance</u>			
Opening Balance	40.28	40.22	40.22
Movement in expected credit loss allowance during the year	(1.84)	0.06	-
Closing Balance	38.45	40.28	40.22
(b) Cash and Cash Equivalents			
Cash and Bank Balance			
Balances with Banks in Current Account	69.43	102.22	126.44
Cash in hand	4.94	3.62	10.65
Deposit with maturity of less than twelve months	56.00	82.90	57.40
Total	130.37	188.74	194.49
(c) Loans & Advances			
Unsecured, considered good			
Loan to employees	44.13	31.13	43.85
Total	44.13	31.13	43.85
9 Other Current Assets			
Advances paid for Supply of Goods and Rendering of Services	1,177.63	3,170.21	6,485.57
Fixed deposit with Sales Tax Department	0.25	0.50	0.50
Other Taxes Receivables	339.67	175.63	64.36
Prepaid Expense	77.52	121.75	71.43
Total	1,595.08	3,468.09	6,621.85

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
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	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	2,718.00	2,718.00	2,718.00
Total	2,718.00	2,718.00	2,718.00

OTHER DISCLOSURES

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

a) Reconciliation of no. of equity shares outstanding

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the period	2,71,82,239	2,718.00	2,71,82,239	2,718.00	2,71,82,239	2,718.00
Outstanding at the end of the period	2,71,82,239	2,718.00	2,71,82,239	2,718.00	2,71,82,239	2,718.00

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

Name of Shareholder	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	No. of Shares held	% of Holding	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%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%	48,09,520	17.69%
Mr. Budhichand Hirji Maroo	35,75,320	13.15%	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%	-	-
Copthall Mauritius Investment Limited	-	-	-	-	23,74,000	8.73%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%	18,22,840	6.71%
Total	1,76,31,200	64.86%	1,76,31,200	64.86%	1,73,91,200	63.98%

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
11 Other Equity			
(a) Reserves & Surplus			
I Securities premium account			
Opening balance	14,340.81	14,340.81	14,340.81
Closing Balance	14,340.81	14,340.81	14,340.81
II General reserve			
Opening balance	2,112.81	2,112.81	2,112.81
Closing Balance	2,112.81	2,112.81	2,112.81
III Retained Earnings			
Opening balance	23,469.31	17,757.70	17,299.68
Profit/loss for the year	7,116.48	6,175.11	-
	-	-	-
Proposed/ Final Dividends	(380.55)	(380.55)	380.55
Tax on Proposed/ Final Dividends	(77.47)	(77.47)	77.47
Transferred from Share in Reserve of Subsidiary LLPs	-	(5.48)	-
Less: Transfer to general reserve	-	-	-
Closing Balance	30,127.77	23,469.31	17,757.70
(b) Other Comprehensive Income			
a Items that will not be reclassified to profit or loss			
- Exchange differences on translating foreign operations			
Opening Balance	25.29	(3.25)	-
Add : Exchange differences in translating the financial statements of a foreign operation	(1.80)	28.55	(9.91)
Less : tax on exchange differences on translation of foreign operations -		-	6.65
Closing Balance	23.49	25.29	(3.25)
- Remeasurements of defined benefit plans			
Opening Balance	(20.81)	-	-
Remeasurements during the year	62.50	(31.82)	-
Deferred tax on remeasurements during the year	(21.63)	11.01	-
Closing Balance	20.06	(20.81)	-
Other Comprehensive Income/(loss) for the year			
Closing Balance	-	-	-
Total Other Comprehensive Income	43.56	4.48	(3.25)
Total Retained Earnings	30,171.33	23,473.80	17,754.45
Total	46,624.95	39,927.42	34,208.07

Non-Current Liabilities**Financial Liabilities****12 Non-Current Borrowings**

12	Non-Current Borrowings					(₹ in Lakhs)		
	Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016	
	Secured Bank Loan - at amortised cost							
(i)	Term Loan, secured by hypothecation of Machinery/ Equipment to be acquired	0.55% + 1 year MCLR	2016-2018	Repayment monthly in eleven equal installments of 42 Lakhs & One installment of 38 Lakhs	94.08	413.28	-	
(ii)	Term Loan, secured by hypothecation of specified copyrights to be acquired	1.75% + 1 year MCLR	2015-2018	Repayment quarterly in ten equal installments	453.96	2,259.19	4,046.28	
(iii)	Term Loan, secured by hypothecation of motor vehicles to be acquired	10.30% to 9.46%	2015-2019	Repayment monthly in equal installments as per repayment schedule of the Bank	12.43	41.29	75.29	
(iv)	Bill Discounting from Bank is secured by exclusive charge on specified receivables (Refer Note 28 for Personal Guarantee)	1.45% + 6 months MCLR	2016-2018	Repayable in two equal installments - 10th Sep '17 & 10th Aug '18	750.21	1,496.28	-	
(v)	Bill Discounting from Bank is secured by exclusive charge on specified receivables (Refer Note 28 for Personal Guarantee)	1.45% + 6 months MCLR	2017-2019	Repayable 100% on 10th Sep '19	199.52	-	-	
Total Non-Current Borrowings					1,510.19	4,210.04	4,121.58	
Less: Current Maturities of long-term debt (included in Note 15 (C))					1,297.53	2,899.37	1,821.10	
Non-Current Borrowings					212.66	1,310.67	2,300.48	

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Non-Current Liabilities			
13 Provisions			
Provision for employee benefits:			
- Gratuity	38.10	21.32	-
- Compensated leave absences	123.66	75.07	67.15
Total	161.76	96.39	67.15
14 Deferred Tax Liabilities			
Balances comprises temporary differences attributable to:			
Property, Plant & Equipment & Intangible Assets	441.47	429.89	422.20
Disallowances under the Income Tax Act, 1961	(78.34)	238.92	246.86
Financial Liability at amortised cost	(15.46)	(14.80)	(12.15)
Remeasurement of Defined benefit plan	10.62	(11.01)	
Net Deferred Tax Liability	358.29	642.99	656.91

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'2016	669.06	(12.15)	-	656.91
Charge or (Credit) to the Statement of Profit and Loss	(0.25)	(2.65)	(11.01)	(13.91)
Closing Balance as on 31st March'2017	668.81	(14.80)	(11.01)	642.99
Charge or (Credit) to the Statement of Profit and Loss	(305.67)	(0.66)	21.63	(284.70)
Closing Balance as on 31st March'2018	363.13	(15.46)	10.62	358.29

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

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

Unsecured Bank Overdraft

Loans & Advances (Unsecured)

-Intercompany Deposits from others

-Directors

Total**b) Trade payable**

(a) Due to Micro and Small Enterprises
(Refer Note No. 33.7)

(b) Due to Others

Total

11,349.26	12,400.06	8,070.03
4,117.40	7,463.38	5,223.30
205.00	1,409.36	455.00
2,909.97	4,135.00	1,688.16
18,581.63	25,407.82	15,436.49
-	-	-
1,811.14	1,904.25	1,052.43
1,811.14	1,904.25	1,052.43

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

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
(c) Other Financial Liabilities			
Current Maturities of long-term debt	1,297.53	2,899.37	1,821.10
Current Maturities of short-term debt	-	-	1,677.29
Security Deposit Received	17.75	15.99	14.43
Creditors for Capital Expenditure	-	126.13	74.53
Others	40.35	155.58	59.84
* (includes Advance from customers, creditors for expenditure, deposit received, withholding and other taxes payable and other payables)			
Unclaimed Dividend Payable	0.19	0.20	1.93
Total	1,355.82	3,197.27	3,649.13
16 Other Current Liabilities			
Advances received from Customers	78.23	16.15	8.88
Prepayments Received	0.25	2.01	3.57
Interest Accrued and due	-	32.42	43.30
Statutory Dues Payable	202.11	645.46	258.14
Total	280.59	696.04	313.89
17 Provisions			
(a) Provision for Employee Benefits			
- Gratuity	121.16	102.78	48.78
- Compensated leave absences	10.61	6.00	6.00
- E S I C	1.27	1.55	0.59
- Provident Fund	14.80	13.22	10.77
- Maharashtra Labour Welfare Fund	0.01	0.01	0.01
	147.85	123.56	66.15
(b) Other Provisions			
Provision for tax (Net of Advance Tax)	1,246.54	2,339.22	870.93
	1,246.54	2,339.22	870.93
Total Provisions	1,394.38	2,462.78	937.08
<u>Income Tax expenses for the year can be reconciled to accounting profit as follows:</u>			
Profit before tax	10,798.98	9,416.44	
Tax effect of:			
Effect of differential tax rates for components	(176.06)	175.10	
Depreciation as per Income Tax Rules	(539.35)	(438.67)	
Deductions	(80.24)	-	
Expenses disallowed	1,498.65	747.45	
	11,501.99	9,900.32	
Applicable Tax Rate	0.35	0.35	
	3,980.61	3,426.30	
Tax Deduction at Source	(2,709.41)	(1,004.48)	
	1,271.20	2,421.82	

(₹ in Lakhs)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
18 Revenue from Operations		
Sale of Rights	48,303.95	41,576.86
Sale of Products	132.31	256.01
Income from Services	426.93	587.32
Other Operating Revenue	-	132.98
Total	48,863.19	42,553.17
19 Other income		
Interest	110.41	238.42
Dividend from Non-Trade Investment	0.60	1.01
Other	62.50	60.06
Total	173.51	299.49
20 Operational Cost		
Inventories at the beginning of the year	50,043.62	38,763.39
Purchases	27,210.84	30,802.92
Works Cost	3,544.74	4,855.41
Inventories at the end of the year	52,971.15	50,043.62
Total	27,828.05	24,378.11
21 Employee Benefit Expense		
Salaries, Bonus and Allowances	3,595.91	2,857.25
Contribution to Provident & Other funds	252.32	146.99
Staff Welfare Expenses	120.29	77.91
Total	3,968.52	3,082.15
22 Finance costs		
Interest on Borrowings	2,947.49	3,122.25
Bank & Other Finance Charges	124.35	120.36
Total	3,071.83	3,242.61
23 Other expenses		
Bad Debts written off	17.48	22.75
Business Development expenses	92.75	87.21
Communication expenses	100.32	65.97
Directors Sitting Fees	5.00	3.40
Donations	165.72	14.70
Electricity Expenses	172.72	153.59
Foreign Exchange Fluctuation Loss	9.52	56.35
General Expenses	467.73	747.94
Insurance Expenses	62.48	57.09
Interest on Statutory Dues	70.11	60.39
Legal, Professional and Consultancy expenses	576.33	386.03
Payment to Auditors	22.14	19.64

(₹ in Lakhs)

Particulars	Year ended 31 st March 2018	Year ended 31 st March 2017
Repairs and Maintenance		
- Building	-	32.50
- Machinery	10.73	6.69
- Others	125.60	134.13
Rents, Rates and Taxes	121.22	65.45
Security Charges	34.65	36.13
Selling and Marketing Expenses	606.94	175.83
Travelling and Conveyance	195.36	179.79
Total	2,856.79	2,305.58
Payment to auditor		
As auditor:		
Statutory Audit fee (excluding taxes)	19.14	17.23
In other capacity:		
Other Services (Certification Fees)	0.10	0.50
Reimbursement of expenses	2.90	1.91
Total	22.14	19.64
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	7,153.73	6,184.86
Net Profit for calculation of basic EPS	7,153.73	6,184.86
Net profit as above	7,153.73	6,184.86
Net Profit for diluted EPS	7,153.73	6,184.86
Weighted average number of equity shares in calculating diluted EPS	2,718.00	2,718.00
(a) Basic	2.63	2.28
(b) Diluted	2.63	2.28

25 Employee Benefits

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

Defined Contribution Plans

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

Defined Benefit Plan

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

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

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Defined Benefit obligation at beginning of the year	362.27	274.66
Current Service Cost	58.45	38.91
Interest Cost	8.08	4.58
Past Service Cost	26.79	-
Actuarial (gain) / loss	(62.50)	31.82
Benefits paid	(22.00)	(5.31)
Defined Benefit obligation at year end	371.09	344.66

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

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)	
	2018	2017
Net (Asset)/Liability at the beginning of year	362.27	274.66
Expenses Recognized in Statement of Profit and Loss	93.32	43.49
Expenses Recognized in OCI	(62.50)	31.82
Benefit paid	(22.00)	(5.31)
Net (Asset)/Liability at the end of year	371.09	344.66

III) Amount recognised in Balance Sheet

Particulars	Gratuity (Unfunded) As at 31 st March	
	2018	2017
Present value of defined benefit obligation	(389.59)	(362.27)
Amount recognised in Balance Sheet	(389.59)	(362.27)

IV) Expenses recognised during the year

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Current Service Cost	58.45	38.91
Net Interest Cost	8.08	4.58
Past Service Cost	26.79	-
Actuarial (gain) / loss	-	-
Other Transfer	-	-
Net Cost	93.32	43.49

V) Expenses recognised in Other Comprehensive Income

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Actuarial (Gains)/Losses on Obligation For the Year	(62.50)	31.82
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(62.50)	31.82

VI) Actuarial assumptions

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Mortality Table	IAL (2006-08)	IAL (2006-08)
Discount rate (per annum)	7.85%	7.34%
Expected rate of salary increase (per annum)	8.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%

VII) Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in Lakhs)

Sensitivity Analysis	2017-18	2016-17
Projected Benefit Obligation on Current Assumptions	389.59	362.27
Delta Effect of +1 % Change in Rate of Discounting	(45.43)	(42.75)
Delta Effect of -1 % Change in Rate of Discounting	45.43	51.82
Delta Effect of +1 % Change in Rate of Salary Increase	39.48	50.96
Delta Effect of -1 % Change in Rate of Salary Increase	(42.69)	(42.88)
Delta Effect of +1 % Change in Rate of Employee Turnover	(9.96)	(3.80)
Delta Effect of -1 % Change in Rate of Employee Turnover	1.01	4.29

Notes:

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

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

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

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

Qualitative Disclosures

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity."

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

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

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

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

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

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost.

Gratuity plan is unfunded.

26 Related party disclosures

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

26 (a) Related Party Transactions

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

(₹ in Lakhs)

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
Purchase of Goods & Services	-	-	-	-	-	-	114.50	149.02	13.50	20.73	128.00	169.75
Sneha Arts	-	-	-	-	-	-	19.92	27.64	-	-	19.92	27.64
Sneha Creation	-	-	-	-	-	-	9.01	-	-	-	9.01	-
Think Walnut Digital Private Limited	-	-	-	-	-	-	85.57	121.38	-	-	85.57	121.38
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	13.50	20.73	13.50	20.73
Sale Of Goods & Services	48.03	43.78	-	-	-	-	-	-	-	-	48.03	43.78
Contentino Media LLP	48.03	43.78	-	-	-	-	-	-	-	-	48.03	43.78
Interest Received On Loan	63.56	178.80	-	-	-	-	-	-	-	-	63.56	178.80
Shemaroo Entertainment (UK) Pvt. Ltd.	1.05	34.39	-	-	-	-	-	-	-	-	1.05	34.39
Shemaroo Entertainment INC, USA	0.94	0.68	-	-	-	-	-	-	-	-	0.94	0.68
Shemaroo Think Tank Entertainment LLP	39.45	114.55	-	-	-	-	-	-	-	-	39.45	114.55
Contentino Media LLP	22.12	29.19	-	-	-	-	-	-	-	-	22.12	29.19
Salaries	-	-	338.13	328.05	10.12	10.11	-	-	-	-	348.25	338.16
Bipin Dharod	-	-	32.40	32.40	-	-	-	-	-	-	32.40	32.40
Hemant Karani	-	-	55.40	55.40	-	-	-	-	-	-	55.40	55.40
Ketan Maroo	-	-	38.40	38.40	-	-	-	-	-	-	38.40	38.40
Harakhchand Gada	-	-	22.60	27.40	-	-	-	-	-	-	22.60	27.40
Vinod Karani	-	-	124.45	102.39	-	-	-	-	-	-	124.45	102.39
Smita Maroo	-	-	29.88	29.87	-	-	-	-	-	-	29.88	29.87
Mansi Maroo	-	-	4.69	4.69	-	-	-	-	-	-	4.69	4.69
Madhuri Gada	-	-	-	-	10.12	10.11	-	-	-	-	10.12	10.11
Kranti Gada	-	-	18.12	18.12	-	-	-	-	-	-	18.12	18.12
Ankit Singh	-	-	-	11.60	-	-	-	-	-	-	-	11.60
Dipesh Gosar	-	-	12.20	7.80	-	-	-	-	-	-	12.20	7.80
Directors Sitting Fees	-	-	2.20	1.60	-	-	-	-	-	-	2.20	1.60
Jai Maroo	-	-	1.20	0.80	-	-	-	-	-	-	1.20	0.80
Buddhichand Maroo	-	-	1.00	0.80	-	-	-	-	-	-	1.00	0.80
Remuneration to Directors	-	-	117.56	117.52	-	-	-	-	-	-	117.56	117.52
Raman Maroo	-	-	42.52	42.51	-	-	-	-	-	-	42.52	42.51
Atul Maru	-	-	42.52	42.51	-	-	-	-	-	-	42.52	42.51
Hiren Gada	-	-	32.52	32.51	-	-	-	-	-	-	32.52	32.51
Interest Paid (on Loans)	-	-	408.12	387.98	-	-	-	-	-	-	408.12	387.98
Raman Maroo	-	-	172.42	165.99	-	-	-	-	-	-	172.42	165.99
Atul Maru	-	-	202.02	198.92	-	-	-	-	-	-	202.02	198.92
Hiren Gada	-	-	2.96	1.12	-	-	-	-	-	-	2.96	1.12
Buddhichand Maroo	-	-	9.75	3.13	-	-	-	-	-	-	9.75	3.13
Jai Maroo	-	-	20.96	18.82	-	-	-	-	-	-	20.96	18.82

26 (a) Related Party Transactions

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

(₹ in Lakhs)

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
Advances/Loans Given during the year	147.00	605.84	-	20.00	-	-	-	-	-	-	147.00	625.84
Shemaroo Entertainment (UK) Pvt. Ltd.	14.13	55.06	-	-	-	-	-	-	-	-	14.13	55.06
Shemaroo Entertainment INC, USA	2.62	1.70	-	-	-	-	-	-	-	-	2.62	1.70
Shemaroo Think Tank Entertainment LLP	42.26	347.76	-	-	-	-	-	-	-	-	42.26	347.76
Contentino Media LLP	88.00	201.31	-	-	-	-	-	-	-	-	88.00	201.31
Vinod Karani	-	-	-	20.00	-	-	-	-	-	-	-	20.00
Loans Taken during the year	-	-	3,440.83	2,985.79	-	-	-	-	-	-	3,440.83	2,985.79
Atul Maru	-	-	2,636.37	1,671.66	-	-	-	-	-	-	2,636.37	1,671.66
Buddhichand Maroo	-	-	61.55	50.00	-	-	-	-	-	-	61.55	50.00
Jai Maroo	-	-	27.93	24.78	-	-	-	-	-	-	27.93	24.78
Raman Maroo	-	-	694.33	1,219.35	-	-	-	-	-	-	694.33	1,219.35
Hiren Gada	-	-	20.65	20.00	-	-	-	-	-	-	20.65	20.00
Dues from Related Parties	37.45	1,170.86	-	4.65	-	-	-	-	-	-	37.45	1,175.51
Shemaroo Entertainment INC, USA	12.27	8.71	-	-	-	-	-	-	-	-	12.27	8.71
Shemaroo Entertainment (UK) Pvt. Ltd.	16.63	-	-	-	-	-	-	-	-	-	16.63	-
Vinod Karani	-	-	-	4.65	-	-	-	-	-	-	-	4.65
Shemaroo Think Tank Entertainment LLP	-	754.46	-	-	-	-	-	-	-	-	-	754.46
Contentino Media LLP	8.55	407.69	-	-	-	-	-	-	-	-	8.55	407.69
Dues to Related Parties	91.83	92.75	2,909.97	4,135.00	-	-	124.66	89.53	25.59	16.91	3,152.05	4,334.20
Atul Maru	-	-	1,264.62	2,094.94	-	-	-	-	-	-	1,264.62	2,094.94
Buddhichand Maroo	-	-	111.37	52.80	-	-	-	-	-	-	111.37	52.80
Hiren Gada	-	-	34.65	15.00	-	-	-	-	-	-	34.65	15.00
Jai Maroo	-	-	186.53	167.69	-	-	-	-	-	-	186.53	167.69
Raman Maroo	-	-	1,312.80	1,804.57	-	-	-	-	-	-	1,312.80	1,804.57
Sneha Arts	-	-	-	-	-	-	0.84	18.39	-	-	0.84	18.39
Sneha Creations	-	-	-	-	-	-	0.01	-	-	-	0.01	-
Think Walnut Digital Private Limited	-	-	-	-	-	-	123.82	71.15	-	-	123.82	71.15
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Canopy Entertainment Pvt.Ltd.	-	-	-	-	-	-	-	-	25.59	16.91	25.59	16.91
(Formerly known as Shemaroo Films Private Ltd)	91.83	92.75	-	-	-	-	-	-	-	-	91.83	92.75

Company has taken collective personal guarantee from related parties to the tune of Rs. 20,895 lakhs, 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)	
	March 2018	March 2017
i. Short-term benefits	447.57	437.39
ii. Post employment benefits	8.11	8.18
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

27 First time IND AS adoption reconciliation

For all periods upto and including the year ended 31st March 2017, the Group had prepared its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). This note explains the principal adjustments made by the Group in restating its financial statements prepared under Previous GAAP.

27.1 Mandatory exception and optional exemptions availed on first time adoption of Ind AS.

Exception:

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively.

Exemptions:

Investment in Subsidiary, Joint Ventures and Associates

The Group has elected to adopt the carrying value under previous GAAP as on the date of transition i.e, 1st April, 2016.

Deemed cost for property, plant and equipment and intangible assets

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

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

27.2 Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Balance Sheet and equity reconciliation
- Profit and Loss and Other Comprehensive Income reconciliation
- Adjustment to Statement of Cash Flows

(a) Effect of IND AS adoption on Balance Sheet

(₹ in Lakhs)

Particulars	as at 31st March'17			as at 1st April'16		
	as per IGAAP	Effect of transition to IND AS	as per IND AS	as per IGAAP	Effect of transition to IND AS	as per IND AS
ASSETS						
I Non-Current Assets						
(a) Property, Plant and Equipment 0.03	-	0.03	2,845.11	-	2,845.11	
(b) Capital work-in-progress	-	-	-	138.23	-	138.23
(c) Other intangible assets	106.24	-	106.24	113.83	-	113.83
(d) Financial assets						
(i) Non-Current Investments	722.63	-	722.63	807.39	-	807.39
(ii) Loans & Advances	677.04	-	677.04	610.14	-	610.14
(iii) Other Financial assets	40.58	(6.58)	34.00	18.58	-	18.58
(e) Other non-current assets	342.19	6.58	348.77	449.76	-	449.76
Total Non-Current Assets	1,888.70	-	1,888.70	4,983.02	-	4,983.02
II Current assets						
(a) Inventories	50,043.62	-	50,043.62	38,764.20	-	38,764.20
(b) Financial assets						
(i) Trade receivables	19,094.63	(40.28)	19,054.35	10,691.69	(40.22)	10,651.47
(ii) Cash and Cash equivalents	188.74	-	188.74	194.49	-	194.49
(iii) Loans & Advances	31.13	-	31.13	43.85	-	43.85
(c) Other current assets	3,464.68	3.41	3,468.09	6,620.46	1.40	6,621.85
Total Current Assets	72,822.80	(36.87)	72,785.93	56,314.68	(38.82)	56,275.85
Total Assets	74,711.50	(36.87)	74,674.63	61,297.70	(38.82)	61,258.88
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	2,718.00	-	2,718.00	2,718.00	-	2,718.00
(b) Other Equity						
Reserves & surplus	39,944.37	(16.96)	39,927.42	33,773.00	435.07	34,208.07
Equity attributable to owners	42,662.37	(16.96)	42,645.42	36,491.00	435.07	36,926.07
Non-controlling Interest	(318.95)	-	(318.95)	(80.97)	-	(80.97)
Total Equity	42,343.42	(16.96)	42,326.47	36,410.03	435.07	36,845.10
Liabilities						
I Non-current liabilities						
(a) Financial Liabilities						
Non-Current borrowings	1,997.28	(686.61)	1,310.67	2,291.29	9.19	2,300.48
(b) Provisions	96.39	-	96.39	67.15	-	67.15
(c) Deferred tax Liabilities (Net)	668.81	(25.82)	642.99	669.06	(12.15)	656.91
Total Non-Current Liabilities	2,762.48	(712.43)	2,050.05	3,027.49	(2.96)	3,024.53
II Current liabilities						
(a) Financial Liabilities						
(i) Current Borrowings	25,407.82	-	25,407.82	15,436.49	-	15,436.49
(ii) Trade payables	1,904.25	-	1,904.25	1,052.43	-	1,052.43
(iii) Other Financial Liabilities	2,506.77	690.50	3,197.27	3,665.61	(16.48)	3,649.13
(b) Other Current Liabilities	694.03	2.01	696.04	310.32	3.57	313.89
(c) Provisions	123.56	-	123.56	524.18	(458.02)	66.15
(d) Current Tax Liabilities (net)	2,339.22	-	2,339.22	870.93	-	870.93
Total Current Liabilities	32,975.65	692.51	33,668.16	21,859.95	(470.93)	21,389.02
Total Liabilities	35,738.12	(19.91)	35,718.21	24,887.44	(473.89)	24,413.55
Total Equity and Liabilities	78,081.55	(36.87)	78,044.67	61,297.48	(38.82)	61,258.65

(b) Effect of IND AS adoption on Total Comprehensive Income**(₹ in Lakhs)**

Particulars	as at 31 st March'17		
	as per IGAAP	Effect of transition to IND AS	as per IND AS
I. Income			
Revenue from operations	42,553.17	-	42,553.17
Other income	297.12	2.37	299.49
Total Income	42,850.29	2.37	42,852.66
II. Expenses			
Operational Cost	24,378.11	-	24,378.11
Employee benefits expense	3,113.97	(31.82)	3,082.15
Finance costs	3,232.99	9.62	3,242.61
Depreciation and amortization expense	427.78	-	427.78
Other expenses	2,305.16	0.42	2,305.58
Total Expenses	33,458.01	(21.79)	33,436.22
III. Profit before tax	9,392.28	24.16	9,416.44
IV. Tax expense			
Current tax	3,424.00	-	3,424.00
Deferred tax	(0.25)	(2.65)	(2.90)
Total Tax expense	3,423.75	(2.65)	3,421.10
V. Profit for the year	5,968.53	26.81	5,995.34
VI. Minority shareholders interest- Profit/(loss)	264.53	-	264.53
VII. Share in associates	(84.76)	-	(84.76)
VIII. Profit/(loss) for the year (A)	6,148.30	26.81	6,175.11
IX. Other Comprehensive Income			
- Items that will not be reclassified to profit/(loss)			
Remeasurements of defined benefit plans	-	(31.82)	(31.82)
Income tax relating to items that will not be reclassified to profit/(loss)	-	11.01	11.01
- Items that will be reclassified to profit/(loss)			
Exchange differences in translating the financial statements of a foreign operation		30.56	30.56
Total Other Comprehensive Income (B)	-	9.75	9.75
X. Total comprehensive income for the period (A + B)	6,148.30	36.56	6,184.86

(c) Reconciliation of Profit & Equity between Ind AS and Previous GAAP

Particulars	Net Profit	Equity	
	Year ended 31-03-17	As at 31-03-17	As at 01-04-16
Net Profit/Equity as per IGAAP	6,148.30	42,662.37	36,491.00
Add / (Less):			
Non-Current Borrowings at amortised cost	(9.62)	(5.90)	3.72
Trade Receivables	(0.06)	(40.28)	(40.22)
Deferred Rent	2.01	3.41	1.40
Deferred Tax	13.67	25.82	12.15
Proposed Dividend	-	-	458.02
Exchange difference in translating financial statement of foreign operation	30.56	-	-
Net Profit/Equity under IND AS	6,184.86	42,645.42	36,926.07

(d) Adjustment to Statement of Cash Flows

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

27.3 Explanations for reconciliation of Balance Sheet and Statement of Profit and Loss and Other Comprehensive Income as previously reported under IGAAP to IND AS.

(a) Fair Value of Financial Assets and Liabilities:

The Company has valued financial assets and Liabilities (other than Investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.

(b) Remeasurements of defined benefit plans:

Remeasurement i.e, actuarial gains or loss on gratuity are recognised in Other Comprehensive Income instead of Statement of Profit and Loss. Under the Previous GAAP, these remeasurements were forming part of the Profit and Loss for the year.

(c) Tax Adjustments

Tax Adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

28 Financial Instruments

28.1 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'18				as at 31 st March'17				as at 1 st April'16			
	Level of inputs used in				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	Carrying amount	Level 1	Level 2	Level 3
I. Financial Assets												
- At amortised cost												
Investments	1,012.98	-	-	-	722.63	-	-	-	807.39	-	-	-
Trade Receivables	14,057.11	-	-	-	19,054.35	-	-	-	10,651.47	-	-	-
Loans & Advances	44.12	-	-	-	707.72	-	-	-	653.98	-	-	-
Cash & Cash Equivalents	130.37	-	-	-	188.74	-	-	-	194.49	-	-	-
Security Deposit Given	26.65	-	-	26.65	26.50	-	-	23.50	11.08	-	-	-
Other Financial assets	7.50	-	-	-	7.50	-	-	-	7.50	-	-	-
II. Financial Liabilities												
- At amortised cost												
Borrowings	18,794.28	-	-	18,794.28	26,718.48	-	-	26,718.48	17,736.96	-	-	17,736.96
Trade Payables	1,811.14	-	-	-	1,904.25	-	-	-	1,052.43	-	-	-
Security Deposit Received	17.75	-	-	17.75	15.99	-	-	15.99	14.43	-	-	14.43
Other Financial Liabilities	1,338.06	-	-	-	3,181.28	-	-	-	3,634.70	-	-	-

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

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

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

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

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

28.2 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 :

(Figures in Lakhs)

Particulars	Currency	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Financial Assets				
Trade Receivables	USD (\$)	5.60	3.45	3.15
	GBP (£)	-	-	0.16
Cash & Cash Equivalents		-	-	-
Loans to subsidiaries	USD (\$)	0.17	0.11	0.08
	GBP (£)	0.18	-	3.43
Other Non-Current Assets				
Advances to Vendors		-	-	-
Other Current Assets				
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.00	0.00	0.20
	EURO (€)	-	-	0.01
	GBP (£)	-	-	0.07
	NPR (₨)	-	-	0.01
Financial Liabilities				
Trade Payable	LKR (₹)	-	10.11	-
	USD (\$)	0.19	-	0.23
	EURO (€)	-	-	0.02
Other Current Liabilities				
Advances received from Customers	USD (\$)	-	0.12	0.04

29 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 linked 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'18		Year ended 31 st March'17	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	9.53	(9.53)	12.60	(12.60)
Impact on total equity as at the end of the reporting Year	9.53	(9.53)	12.60	(12.60)

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

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Trade receivables (Unsecured)			
over six months	465.61	487.30	406.56
less than six months	14,057.11	19,054.35	10,651.47
Total	14,522.72	19,541.66	11,058.03

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 as in the long term.

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

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Due in 1 year	Due in 2 - 3 years	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	21,748.59	-	30,509.34	-	20,138.05	-
Borrowings	-	212.66	-	1,310.67	-	2,300.48
Total	21,748.59	212.66	30,509.34	1,310.67	20,138.05	2,300.48

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

(ii) Capital Management

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

Gearing ratio

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

Particulars	(₹ in Lakhs)		
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Debt			
Long Term Borrowings (Including Current Maturity of Long Term Debts)	1,510.19	4,210.04	4,121.58
Short Term Borrowings	18,581.63	25,407.82	15,436.49
Cash & Bank Balances	(130.37)	(188.74)	(194.49)
Total debt (A)	19,961.44	29,429.11	19,363.57
Equity			
Equity Share Capital	2,718.00	2,718.00	2,718.00
Other Equity	46,624.95	39,927.42	34,208.07
Total equity (B)	49,342.95	42,645.42	36,926.07
Net Debt to Equity Ratio (A/B)	40%	69%	52%

30 Leases**(i) Finance lease**

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

(ii) Operating lease

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

(a) Assets taken on Operating Lease:

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

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

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Minimum lease payments :		
Not later than one year	97.27	3.60
Later than one year but not later than five years	248.69	-

(b) Assets given on Operating Lease

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

31 Financial Details of Subsidiaries, Associate Companies and Joint Ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(₹ in Lakhs)

S. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (in ₹)	Capital	Reserves	Total Assets	Total Liabilities	Investments included in Total Assets	Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend
1	SHEMAROO ENTERTAINMENT INC. (USA)	USD	65.02	6.50	(17.83)	2.24	2.24	-	-	(2.85)	-	(2.85)	NIL
2	SHEMAROO ENTERTAINMENT (UK) PRIVATE LIMITED	GBP	91.46	32.92	(51.88)	1.79	1.79	-	-	(39.74)	-	(39.74)	NIL
3	CANOPI ENTERTAINMENT PRIVATE LIMITED	INR	1.00	100.00	(8.16)	92.15	92.15	-	-	(1.14)	-	(1.14)	NIL
4	CONTENTINO MEDIA LLP	INR	1.00	1.00	562.27	735.88	735.88	-	620.74	(129.10)	-	(129.10)	NIL
5	SHEMAROO THINK TANK ENTERTAINMENT LLP	INR	1.00	1.00	1,348.43	1,350.50	1,350.50	-	645.00	348.89	-	348.89	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)

S. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No of Shares	Amount of Investment in Associates/ Joint Venture				Considered in Consolidation	Not Considered in Consolidation
1	Vistaas Digital Media Private Limited	31 st March, 2018	45,000	1,061.39	Strategic investment	Shemaroo Entertainment Limited is holding only as an strategic investment and does not exercise management control	42.58	(53.41)	NIL

32 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 2017-2018

(₹ in Lakhs)

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	96.71%	47,366.91	97.64%	6,948.64	109.54%	40.87	97.70%	6,989.52
SUBSIDIARIES								
INDIAN								
CANOPY ENTERTAINMENT PRIVATE LIMITED	0.19%	91.84	-0.02%	(1.14)	0.00%		-0.02%	(1.14)
CONTENTINO MEDIA LLP	0.99%	486.73	-1.18%	(83.92)	0.00%		-1.17%	(83.92)
SHEMAROO THINK TANK ENTERTAINMENT LLP	2.00%	979.09	4.90%	348.89	0.00%		4.88%	348.89
FOREIGN								
SHEMAROO ENTERTAINMENT INC. (USA)	-0.02%	(11.33)	-0.04%	(2.85)	0.00%		-0.04%	(2.85)
SHEMAROO ENTERTAINMENT (UK) PRIVATE LIMITED	-0.04%	(18.96)	-0.56%	(39.74)	-9.54%	(3.56)	-0.61%	(43.30)
ASSOCIATES								
Vistaas Digital Media Private Limited	0.17%	84.76	-0.75%	(53.41)	0.00%		-0.75%	(53.41)
Total	100%	48,979.05	100%	7,116.48	100%	37.31	100%	7,153.80

33 Additional information to financial statements**33.1 Approval of financial statements**

Financial statements were approved for issue by the Board of Directors on 15th May'2018.

33.2 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.

33.3 Events after Reporting Period

Dividend on equity shares is approved by the Board of Directors in their meeting held on 15th May'18, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend Distribution Tax thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Proposed dividend on equity shares for the year ended 31st March'18: ₹ 1.55 per share and the cash flow including Dividend Distribution Tax aggregates to ₹ 507.92 lakhs.

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

- (a) Loan given by Group to body corporate as at 31st March'18. (Refer note 8(c))
- (b) Investment made by the Group as at 31st March'18. (Refer note 5(a))
- (c) No Guarantee has been given by the Group as at 31st March'18.

33.5 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Disputed Direct Tax Demands	19.46	148.41
Disputed Indirect Tax Demands	159.49	154.64
Legal Cases against the Group	144.58	136.40
Bill of exchange discounted with Bank	1,350.00	-
	1,673.54	439.46

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.

33.6 Prior Year Comparatives

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

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

Based on the information available with the Group (excluding foreign subsidiaries), the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Nil during 2017-18 (Previous year 2016-17 Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

33.8 Custom duty and interest thereon aggregating ₹ 104.24/- Lakhs, is paid under protest in the Financial Year Ended 31.03.2008. The same is included in Other Non-Current Assets.

33.9 Disclosure under IND-AS - 108

For FY 2017-2018, revenue from top 2 customers accounted for ₹ 16,992 lakhs. For FY 2016-2017, no single customer accounted for more than 10% of the revenues.

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

33.11 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 Holding Company during the year is ₹ 164 Lakhs and company has spent ₹ 166 Lakhs.

As per our report of even date.

For M. K. Dandekar & Co.

Chartered Accountants
ICAI FRN: 000679S

S. Poosaidurai

Partner
Membership No.: 223754

Place: Mumbai

Date: 15th May 2018

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

Managing Director
DIN 00169152

Dipesh Gosar

Company Secretary
Membership No.:A23755

Place: Mumbai

Date: 15th May 2018

Atul Maru

Jt. Managing Director
DIN 00169264

Hiren Gada

CEO & CFO
DIN 01108194

[illegible]



SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

Regd. Office: Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai –400059,

Tel: +91 22 4031 9911; Facsimile: +91 22 28519770;

Email: investors_services@shemaroo.com | **website:** www.shemarooent.com

NOTICE

Notice is hereby given that the 13th (Thirteenth) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Tuesday, September 11, 2018, at 04:00 P.M. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2018 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Buddhichand Maroo (DIN: 00169319), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. M.K.Dandekar & Co., Chartered Accountants, (Firm Registration No. 000679S) as Statutory Auditors of the Company for the year 2018-19 and to authorize the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17(1A) of the SEBI Listing Regulations and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby accorded for continuation of directorship of Mr. Buddhichand Maroo (DIN: 00169319) as Non-Executive Director of the Company, who has attained the age of 75 (Seventy Five) years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The profile of the Director seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. Members / Proxies / Authorized Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
7. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 05, 2018 to Tuesday, September 11, 2018 (both days inclusive) for determining the names of members eligible for final dividend on Equity Shares, if declared at the Meeting.

8. The Final Dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Tuesday, September 11, 2018 (within the statutory time limit of 30 days).
9. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime (India) Private Limited (LIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIPL.
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to LIPL.
12. In terms of Section 101 and 136 of the Companies Act, 2013 read together with relevant Rules made thereunder, the Notice of AGM, Annual Report, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose e-mail address are registered with the Company / Depository Participant(s), unless a member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the documents are being sent by the permitted mode.
13. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Depository Participant(s) / LIPL.
14. Members may also note that the Notice of this AGM and the Annual Report 2017-18 of the Company is posted on the Company's website www.shemarooent.com. All the documents referred in the accompanying Notice will be available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m and 1.00 p.m. up to the date of AGM.
15. The Ministry of Corporate Affairs has notified Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, provisions relating to transfer of unclaimed amounts to the IEPF. IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years or more to an IEPF Demat Account. Hence, the Company urges all the shareholders to claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company are available on the website of the Company www.shemarooent.com and on Ministry of Corporate Affairs' website.
16. Members who wish to obtain further information on the financial statements for the year ended March 31, 2018, may send their queries at least 7 days before the AGM to the Company Secretary / Compliance Officer of the Company at the registered office of the Company or at investor_services@shemaroo.com.
17. Members are requested to address all correspondence to the Registrar and Share Transfer Agents at the following address:

LINK INTIME (INDIA) PRIVATE LIMITED
(Unit: Shemaroo Entertainment Limited)
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083,
Tel No: +91 22 49186000 Fax: +91 22 49186060
18. Route map showing directions to reach the venue of the 13th AGM is given at the end of this Notice.
19. The Company has appointed Mr. Manish .L. Ghia of M/s. Manish Ghia & Associates, Practicing Company Secretaries (Membership No. FCS 6252), to act as the Scrutinizer, to scrutinize the entire voting and remote e-voting (including ballot form received from the Members who do not have access to the e- voting process), in a fair and transparent method.
20. The Company is providing the facility of ballot form in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. Duly completed Ballot form shall be send to the Scrutinizer appointed by the Board of Directors of the Company, at the Registered Office of the Company not later than September 10, 2018 (05:00 p.m.). Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 04, 2018 have the option to download the same form the website of the company or request for physical copy of the Ballot form by sending an email to investors_services@shemaroo.com by mentioning their Folio No. / DP ID and Client ID No. The Ballot form received after September 10, 2018 (05:00 p.m.) will be treated as invalid.
21. Facility of voting through Poll paper shall be made available at the AGM. The members who have not casted their vote either electronically or through Ballot Form, can exercise their voting rights at the AGM. The Members who have cast their vote by remote e-voting / ballot form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
22. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of the SEBI Listing Regulations, the Company is pleased to provide members facility to exercise their vote at the 13th AGM by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting), from a place other than the venue of the AGM will be

provided by National Securities Depository Limited (NSDL) for all the business as detailed in the notice.

A. The instructions for e-voting are as under:

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, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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.
- B.** In case a member receives physical copy of the Notice convening the AGM [for members whose e-mail addresses are not registered with the Company/Depository Participant(s)]:
- i) User ID and password – Printed Overleaf
 - ii) Please follow all steps as mentioned in A & B above to cast your vote.

C. Other Instructions:

- i) The e-voting period commences on Saturday, September 08, 2018 (9:00 a.m. IST) and ends on Monday, September 10, 2018 (5:00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on September 04, 2018 i.e. cut-off date, may cast their vote

electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

- ii) Any person, who acquires shares of the Company and becomes a member of the Company after the dispatch of the Notice and holding shares as of cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Passwords" option available on www.evoting.nsdl.com.
- iii) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
- iv) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.shemarooent.com and on the website of NSDL www.evoting.nsdl.com immediately after the results is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

Registered Office:

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

Mumbai, May 15, 2018

By Order of the Board of Directors

Dipesh U. Gosar

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

EXPLANATORY STATEMENT

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

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

Item No. 3 & 5:

Pursuant to Regulation 17(1A) of SEBI Listing Regulation (including any statutory modification or re-enactment thereof) inter alia, provides that listed entities have to pass a special resolution to appoint a non-executive director or continue the directorship of a non-executive director who has attained the age of 75 years with justification for the same, which would be effective from April 01, 2019.

Accordingly, for continuation of directorship by Mr. Buddhichand Maroo, who has attained the age of 75 years, special resolution is been proposed by the Board of the Company.

Keeping in view that Mr. Buddhichand Maroo has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. He has a distinct presence and

strong association in the Industry. He is behind the business empire that stands today as a leading content owner, aggregator and distributor in India, it would be in the interest of the Company to continue the engagement of Mr. Buddhichand Maroo as Non-Executive Director.

The Board of Directors at its meeting held on May 15, 2018, on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. Buddhichand Maroo as Non-Executive Director of the Company and recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the said resolution, except Mr. Raman Maroo, Managing Director, Mr. Atul Maru, Jt. Managing Director, Mr. Jai Maroo, Non-Executive Director and Ms. Smita Maroo, Senior VP - Animation, Kids Digital, L&M Department of the Company, they being related to Mr. Buddhichand Maroo.

Following is the information required under Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions of the Companies Act, 2013:

Name of the Director	Mr. Buddhichand Maroo
Date of Birth	November 24, 1939
Nationality	Indian
Director Identification Number	00169319
Date of appointment	May 29, 2012
Brief Profile & Experience	Mr. Buddhichand Maroo is the Chairman of our Company and founder of our 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. Mr. Buddhichand Maroo has approximately 56 years of business experience, out of which, he has been associated with the media and entertainment industry for approximately 35 years. He has completed his Intermediate studies from Mumbai. Currently, he has retired from day to day business and has devoted his life to social work and has been involved in several non-profit and social activities, particularly in Kutchh (Gujarat). He has received several awards for the work done in the social field.
No. of shares held in the Company	35,75,320
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	-
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Shemaroo Entertainment Limited	-
Inter-se relationships with other Directors / KMP's	Mr. Raman Maroo Mr. Atul Maru Mr. Jai Maroo Ms. Smita Maroo

ROUTE MAP FOR 13TH ANNUAL GENERAL MEETING VENUE





SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

Regd. Office: Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai –400059,

Tel:+91 22 4031 9911; **Facsimilie:**+91 22 2851 9770;

Email: investors_services@shemaroo.com | **website:** www.shemarooent.com

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

13TH ANNUAL GENERAL MEETING ATTENDANCE SLIP

NAME OF THE MEMBER: _____

ADDRESS: _____

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

I hereby record my presence at the THIRTEENTH (13th) ANNUAL GENERAL MEETING of the Company, at **M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001** at 04:00 p.m. on Tuesday, September 11, 2018.

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

*Strikeout whichever is not applicable

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SHEMAROO ENTERTAINMENT LIMITED**Regd. Office:** Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai -400059,**Tel:**+91 22 4031 9911; **Facsimilie:**+91 22 2851 9770;**Email:** investors_services@shemaroo.com | **website:** www.shemarooent.com**PROXY FORM****Form No. MGT. 11**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered address : _____

Email ID : _____

Folio No. / DP ID – Client ID : _____

I/We, being the member(s) of _____ shares of **SHEMAROO ENTERTAINMENT LIMITED**, hereby appoint:

1. Name: _____ Address: _____

Email ID: _____ Signature: _____ or failing him/her

2. Name: _____ Address: _____

Email ID: _____ Signature: _____ or failing him/her

3. Name: _____ Address: _____

Email ID: _____ Signature: _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 13th (Thirteenth) Annual General Meeting of the Company to be held on **Tuesday, September 11, 2018, at 04:00 p.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Directors and the Auditors' Report thereon.		
2. Declaration of final dividend		
3. Re-appointment of Mr. Buddhichand Maroo (DIN: 00169319) liable to retire by rotation.		
4. Ratification of the appointment of Statutory Auditors.		
5. To continue the Directorship of Mr. Buddhichand Maroo (DIN: 00169319) as Non - Executive Director of the Company.		

Signed this _____ day of _____, 2018

Signature of proxy holder(s)_____
Signature of Shareholder

Affix
Revenue
Stamp of
₹ 1

Note:

- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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NOTES

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across the entire width of the page, providing a guide for writing. The background is a solid off-white color. There are no margins, text, or other markings present.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



SHEMAROO ENTERTAINMENT LIMITED

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