

## FORM A

Sr. No.	Particulars	
1.	Name of the Company	Shemaroo Entertainment Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

**For Shemaroo Entertainment Limited**



.....  
**Raman Maroo**  
**Managing Director**  
**(DIN:00169152)**

**For M. K. Dandeker & Co.,**  
**ICAI Reg. No.: 000679SW**




.....  
**K. J. Dandeker**  
**Partner**  
**Chartered Accountants**  
**Membership No. 018533**




.....  
**Atul Maru**  
**Jt. Managing Director**  
**(DIN:00169264)**



.....  
**Hiren Gada**  
**Whole Time Director & CFO**  
**(DIN:01108194)**



.....  
**Gnanesh Gala**  
**Audit Committee, Chairman**  
**(DIN: 00093008)**

Date: 26/08/2015  
Place: Mumbai

# DELIVERING GENERATIONS OF



**SHEMAROO ENTERTAINMENT LIMITED**  
**ANNUAL REPORT 2014-15**

**ACROSS PLATFORMS**

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Buddhichand Maroo  
DIN: 00169319  
Chairman

Mr. Raman Maroo  
DIN: 00169152  
Managing Director

Mr. Atul Maru  
DIN: 00169264  
Jt. Managing Director

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

Mr. Jai Maroo  
DIN: 00169399  
Non-Executive Director

Mr. Gnanesh Gala  
DIN: 00093008  
Independent Director

Mr. Kirit Gala  
DIN: 01540274  
Independent Director

Mr. VasANJI Mamania  
DIN: 00013071  
Independent Director

Mr. Shashidhar Sinha  
DIN: 00953796  
Independent Director

CA Reeta Shah  
DIN: 07141304  
Independent Women Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ankit Singh

## STATUTORY AUDITORS

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

## INTERNAL AUDITORS

M/s. Mahajan & Aibara

## SECRETARIAL AUDITORS

M/s. Manish Ghia & Associates

## BANKERS

Bank of India  
The Shamroa Vithal Co-op. Bank Limited  
N.K.G.S.B. Co-op. Bank Limited  
Export Import Bank of India  
HDFC Bank Limited  
Deutsche Bank A.G.

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
Lal Bahadur Shastri Road,  
Bhandup West, Mumbai - 400078  
Tel No.:- 022-2594 6970/ 022-25963838

## REGISTERED OFFICE

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

## CORPORATE IDENTITY NUMBER

L67190MH2005PLC158288

## WEBSITE

<http://www.shemarooent.com/>

# OUR IDENTITY

## Who are we?

Founded on October 29, 1962, in Mumbai, as a book circulating library, today we are an established integrated media content house in India with activities across content acquisition, value addition to content and content distribution. Together with film based copyrights and other entertainment rights, the brand Shemaroo has become synonymous with quality entertainment.

Over the years, our Company has successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into New Media platforms.

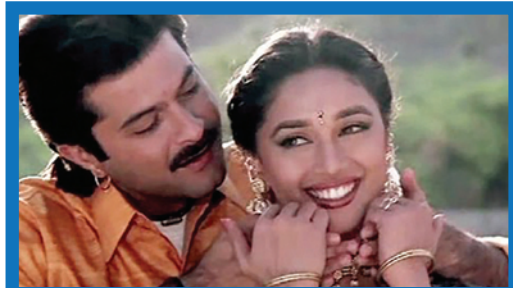
Today, we are one of the largest independent content aggregators in Bollywood. Our Content Library consists of titles spanning **recent Hindi films** like *Jab We Met*, *Golmaal*, *Bhaag Milkha Bhaag*, *Dedh Ishqiya*, *The Dirty Picture*, *Ishqiya* and *Huntern* amongst others **to evergreens** like

*Chupke Chupke*, *Beta*, *Dil*, *Disco Dancer*, *Mughal-e-Azam*, *Amar Akbar Anthony*, *Namak Halaal*, *Kaalida*, *Madhumati* etc.

We also have non-film contents and titles in various other regional languages like Marathi, Gujarati, Punjabi and Bengali among others.

## What do we do?

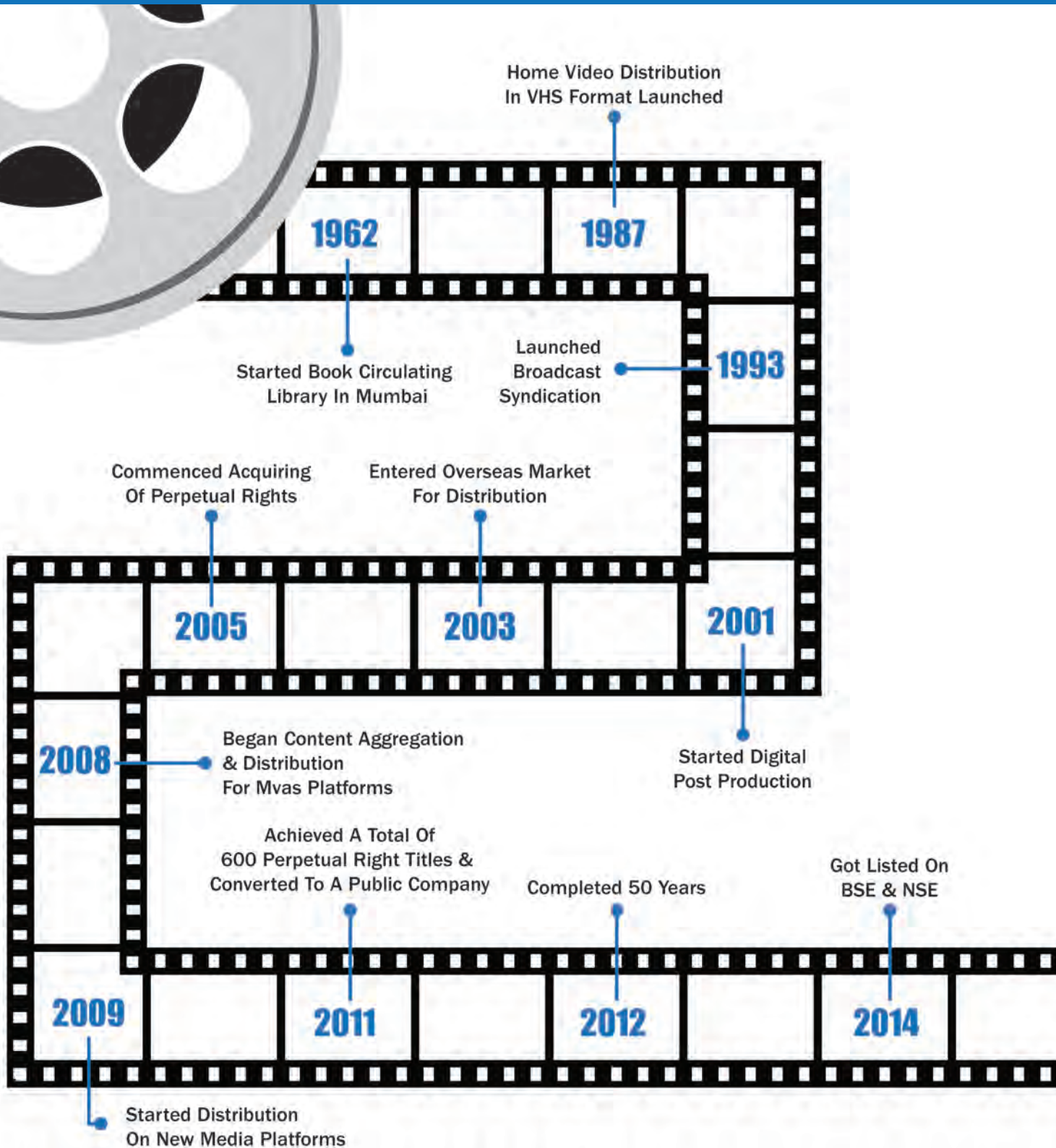
Currently, we aggregate & distribute content, over which we have either **Perpetual Rights** (complete ownership) or **Aggregation Rights** (limited ownership). The various mediums of distribution include (i) Television such as Satellite, Terrestrial and Cable Television; (ii) New Media platforms consisting of Mobile, Internet, DTH and other applications; (iii) Home entertainment and other media. Today our content library includes more than **3000** titles.



“TODAY, OUR  
CONTENT LIBRARY  
INCLUDES **MORE**  
**THAN 3000 TITLES**”

DIGITAL MEDIA HOME ENTERTAINMENT DTH TERRESTRIAL TELEVISION  
INTERNET IN-FLIGHT TELEVISION ONLINE STREAMING PLATFORMS MOBILE  
IPTV BLU-RAY CABLE TELEVISION SATELLITE TELEVISION VIDEO ON DEMAND

# OUR JOURNEY



# FROM MD'S DESK

## Dear Shareholders,

I am happy to be writing to you in our first Annual Report post our successful IPO. The financial year of 2014-15 has been a transformational year for the company. We had a successful listing on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in the second half of 2014. This year has been also our most profitable year as post-tax profits surged by more than 50% Year on Year to INR 409 mn. This was primarily due to more than 50% year on year growth in the new media segment of our business, although our larger traditional media business continued to grow at a commendable stable rate of around 18% year on year.

Our key strength has always been in our vast content library, which we continue to leverage on various platforms like YouTube. Our viewership and subscriber base on YouTube has grown significantly and as of March 2015, we were able to generate an average of more than two million views per day. Also, with increasing penetration of smart phones in India, our mobile data based revenue continues to improve going forward. What's more, our TVs too are now connected to the internet and are 3D enabled. All of the aforementioned developments in technology are accelerating video consumption. India is still at a very nascent stage in terms of internet users and the number is expected to more than double in the next five years.

## Warm Wishes

**Raman Maroo**

On the traditional media front, we believe that with the completion of Phase III and Phase IV of digitization – which represent a larger geographical spread than the first couple of



Phases, TV viewership will increase multi-fold, which in turn will lead to higher subscription and advertisement revenues for the broadcasters. Hence, we also expect to see a rise in broadcasters' content acquisition budgets. This growth would naturally flow into content owners like us.

In conclusion, our ever-expanding portfolio coupled with our disciplined approach towards content acquisition will enable us to continue to benefit from the explosive demand. I am amazed at what we have achieved over the past years and to this I would like to express my appreciation to our team, investors and everyone who have entrusted their confidence in us.

Thank you for your support and unrelenting faith in our endeavours.



# OUR EDGE

## **Established Brand Name**

- Brand in existence for 50 years
- The “Shemaroo” brand has high consumer recall and media visibility

## **Diversified Distribution Platform**

- Presence in television, digital & new media, home entertainment and other media
- Distribution reach is a key advantage, as company is able to offer “anytime anywhere” entertainment to consumers

## **Experienced Directors and Management Team**

- Experienced management with in-depth understanding of the film industry, deep insights on technology and knowledge of market trends
- In-house expertise to manage operations

## **Vast, Diverse and Growing Content Library**

- Most Bollywood services that require content would have at least some content provided from Shemaroo
- Content Library of more than 3000 titles spanning recent Hindi films, evergreens and non-film content

### **Content Library as on 30th June, 2015**

Sr. No.	Types of Content	Perpetual Titles	Limited Ownership Titles	Total Number of Titles
1.	Hindi films	366	1336	1702
2.	Regional Titles	373	750	1123
3.	Special Interest Content	42	144	186
	<b>TOTAL</b>	<b>781</b>	<b>2230</b>	<b>3011</b>

## **De-risked Business Model**

- Large number of titles
- Width and depth of distribution Platform
- Multiple genres and types of content

## **Strong Industry Relationships**

- Managed to create, maintain and build goodwill in the industry
- Repeated transactions with known names – SONY, STAR, Viacom 18, R.K. Studios, Percept, YouTube, Etisalat, Vodafone, Airtel, Reliance Communications etc.





# INDUSTRY TAILWINDS

## Broadband Infrastructure

- Rollout of 4G would enhance the consumption of videos
- National Optical Fibre rollout announced by the government

## Technology

- Growing availability of sub INR 5,000 smart phones
- Improved technology to compress, convert, store, play and forward videos, leading to consumption of content on more devices

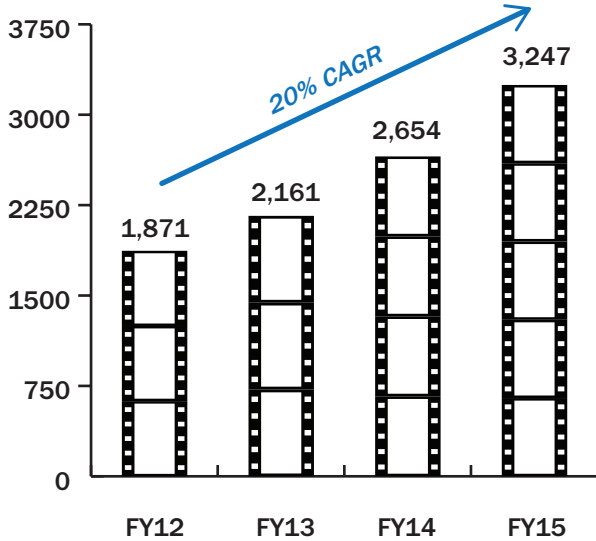
## Digitization

- Broadcasters will increase investment in programming, due to reduction in carriage fees
- Increase in content acquisition by broadcasters, will increase the value of the content
- Demand for movies to increase, with increase in number of channels

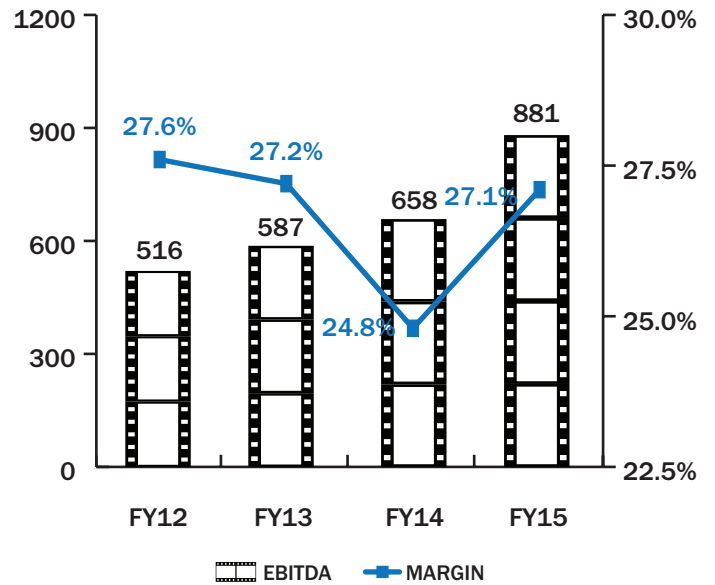


# FINANCIAL HIGHLIGHTS

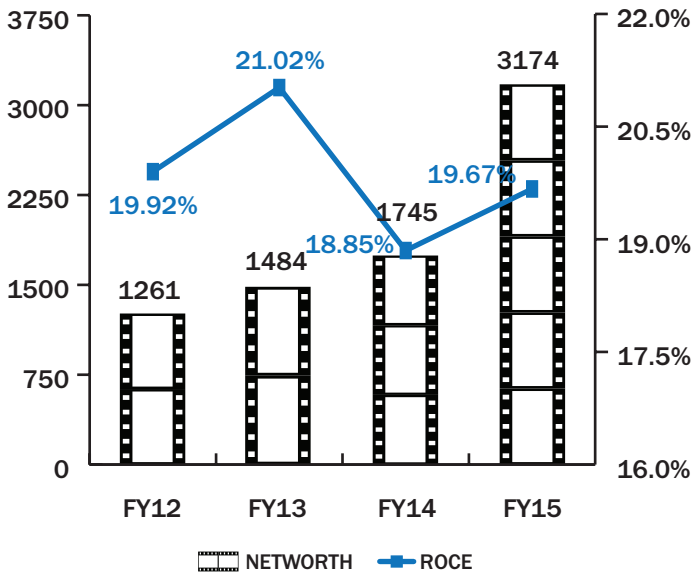
**Total Income Revenue (INR mn)**



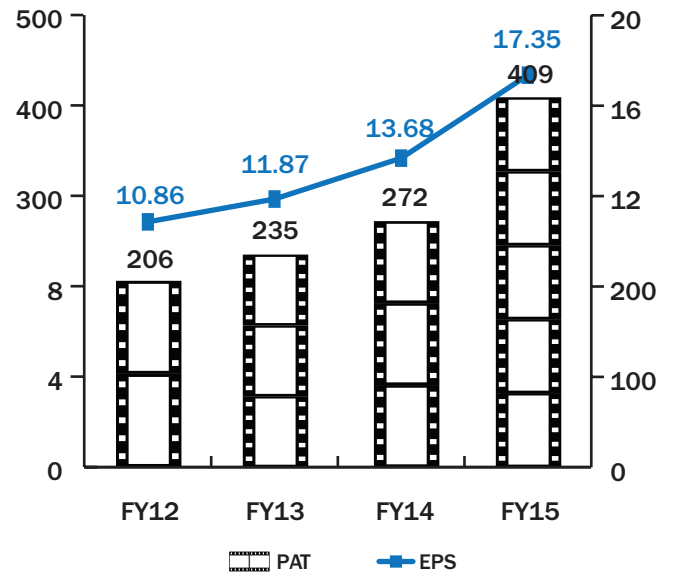
**EBITDA (INR mn) and EBITDA Margin**



**Networth (INR mn) and ROCE**



**PAT (INR mn) and EPS**



# BOARD OF DIRECTORS

**Mr. Buddhichand Maroo**, the Chairman, is also the founder of Shemaroo Entertainment Limited and has been associated with the company since 1962. He has an experience of approximately 53 years, out of which, he has been associated with Media and Entertainment Industry for around 32 years.

**Mr. Raman Maroo**, the Managing Director, has an experience of approximately 41 years, out of which he has spent around 32 years in Media and Entertainment Industry. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house.

**Mr. Atul Maru**, the Joint Managing Director, has approximately 35 years of experience in the media and entertainment industry. He is actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of the Company.

**Mr. Hiren Gada**, the Whole Time Director & CFO, has been associated with the Media and Entertainment Industry for the last 12 years. He handles the Strategy and Finance functions in the Company.

**Mr. Jai Maroo**, the Non-executive Director, has approximately 12 years of experience in the Media and Entertainment Industry. Given his strong technical background, he is in charge of expanding Shemaroo's reach on newer digital distribution platforms.

**Mr. Gnanesh Gala**, an Independent Director on the board of the Company, has approximately 32 years of experience in the Educational Publishing Industry. He is the Managing Director of Navneet Education Limited, a publication and stationery company based in Mumbai.

**Mr. Vasanji Mamania**, an Independent Director on the Board of the Company, has approximately 53 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Non-ferrous Metals.

**Mr. Shashidhar Sinha**, an Independent Director on the Board of the Company, has approximately 30 years of experience in media and advertising. He is presently the CEO of Lodestar UM India.

**Mr. Kirit Gala**, an Independent Director on the Board of the Company, has approximately 25 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited.

**CA Reeta Bharat Shah**, an Independent Women Director on the board of our Company, has over 27 years of experience in the field of education and administration in various capacities. CA Reeta is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics.



# BUSINESS OVERVIEW

**a. Shemaroo’s role in a movie life cycle:**

Theatrical, Television and overseas release generate ~90-95% of the revenues in the first cycle of launch, where Shemaroo is not typically present. In the first cycle, Shemaroo is present in the ancillary revenue streams like New Media and Home Video movie distribution, which contribute towards the remaining 5% to 10% of the revenues.

Shemaroo typically participates in the second and subsequent cycles of film monetization. These subsequent cycles of film monetization have been typically growing due to various factors like increasing advertisement spending, digitization and growth in niche movie channels

etc. There is a lower risk in these cycles due to visibility of performance of the movie during first cycle of launch. Shemaroo decides on the cost of the content after it is confident of achieving the desired return on Investment at a portfolio level. Shemaroo then distributes this content over different platforms like Broadcasting channels, New Media platforms like YouTube.com and others.

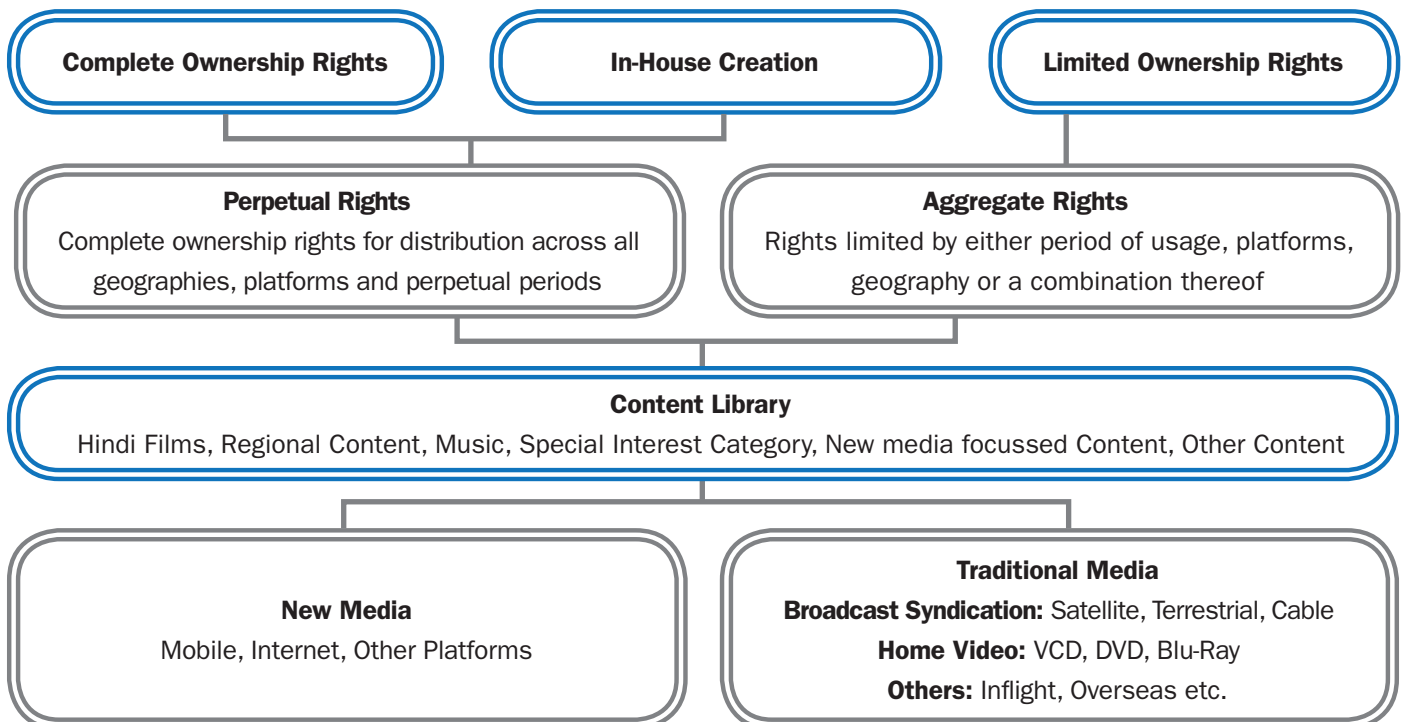
**b. Business Model:**

**Distribution (Monetization Platforms):**

- New Media:**

Media consumption pattern has dramatically changed over the last few years with rising mobile and internet

## BUSINESS MODEL



penetration and emergence of newer distribution platforms due to digitization. Internet & Mobile Platforms, Digital Cable, DTH, IPTV etc., are changing the very fabric of this ever evolving industry. Shemaroo has been a thought leader in the transformation of the industry from the physical format to the digital format.

Shemaroo is a content provider to leading internet entertainment destinations like YouTube, Spuul, Apple iTunes, Google Play etc. and several other services like internet connected televisions, internet connected set top boxes and applications running on mobile devices. We have also been working closely with telecom operators like Airtel, Tata Teleservices, Reliance Communication, Idea, etc. to ensure adequate distribution and marketing of our products which includes caller ring back tones, wallpapers, imagery, videos, games, full songs, celebrity chats, amongst others. We are extracting quality and consumable videos from our huge library of films as well as aggregating content from other players. At Rs 4,350 crore in advertising and over 40 per cent growth rate, digital is now big enough to merit serious attention.

- **Traditional Media:**

Broadcast syndication rights to television channels continues to be one of our major revenue generating activities contributing more than 50% of our revenue in each of last five years. **Over the last five years, we have distributed more than 1000 films for broadcasting on television networks.**

Film broadcasting is one the most popular programming formats on television and continues to be one of the major revenue drivers for television channels. There is an ever increasing demand for compelling content with a steady increase in the number of new television channels as well as niche Hindi movie channels commanding a strong viewership share of 17%, in Hindi speaking market, second only to Hindi GEC's. However, with only 200-250 Hindi films released each year, of which the ratio of successful films is limited, there is a shortage of content.

Cable television licensing is another revenue stream wherein an increasing number of cable operators are licensing rights of our content. Apart from Cable Television, we also license content for broadcasting on terrestrial television network.

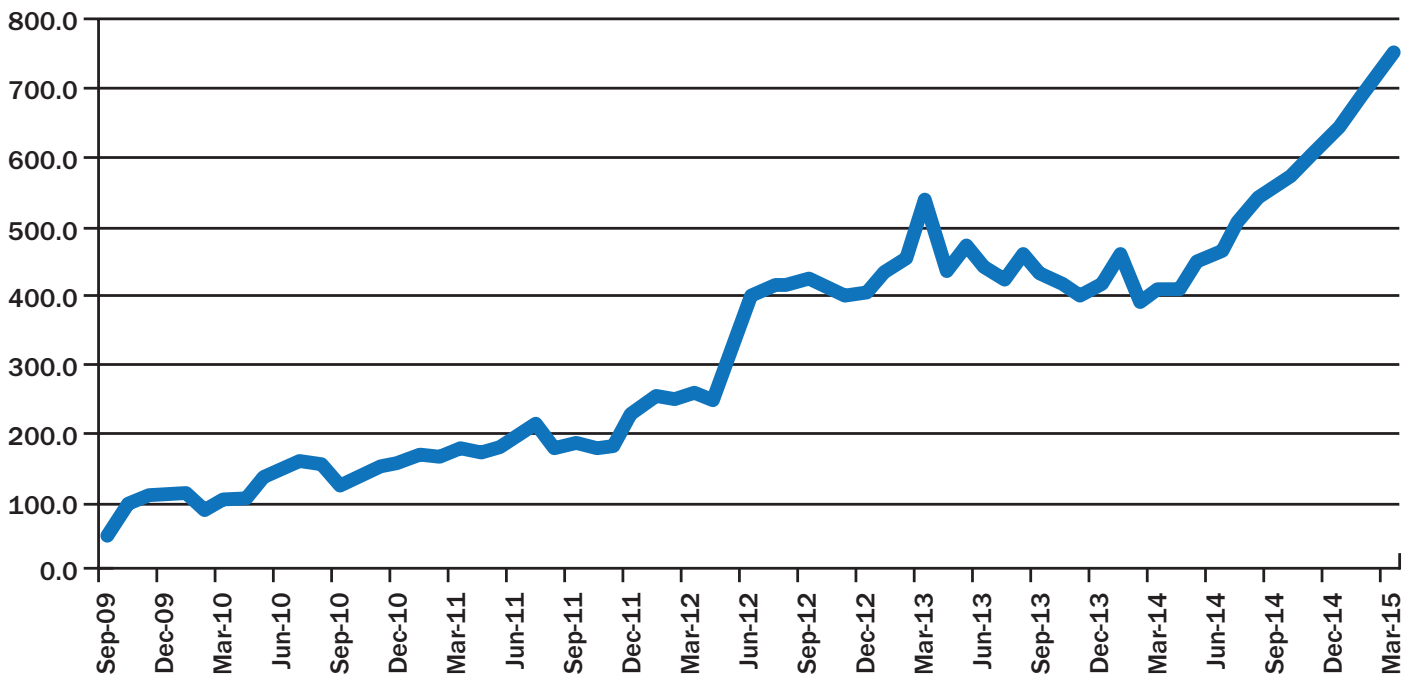
The home video vertical has been the face of our Company for decades and has helped build the "Shemaroo" brand. We have a product presence across 2,000+ retails stores across 75+ towns and cities (Planet M, Music World, Crossword, Landmark, Reliance Retail, etc). In addition to this, we have distributed Indian movies across the globe through various distribution platforms due to the growing demand amongst both ethnic and non-ethnic audiences abroad. We also license airborne rights of our content for in-flight entertainment to a number of airlines.

**YouTube: A case study of New Media Business**

Shemaroo was one of the first few companies in India to partner with YouTube by providing content to be shown on their online platform. **Today, we have over 30 channels on YouTube, which attracts over 70 million monthly views**, which has increased from less than 10 million views a few years ago. One of our most viewed and popular channels ‘**Filmi Gaane**’ has seen phenomenal growth over the years and **has over 500,000 subscribers**. This huge base of subscribers has catapulted **Shemaroo** into the list of **top 10 most viewed channels on YouTube**. YouTube has recently launched a feature that allows users to download the videos and watch them offline on mobile devices for 48 hours, which will help us monetize our content more efficiently, by allowing users to move past the challenges of data connection, speed and cost to enjoy buffer free experience in watching videos.



**YouTube Views (Monthly Views in Lakhs)**





# MANAGEMENT DISCUSSION & ANALYSIS

## *Global Economy Overview:*

Global Economic growth in 2014 was little subdued, continuing a pattern of disappointing growth over the past several years. Growth picked up only marginally in 2014, to 2.6 percent, from 2.5 percent in 2013. Geographical break-down of these headline numbers show increasingly divergent trends in major economies.

While activity in the United States and the United Kingdom has gathered momentum due to the revival in labour market condition along with the fact that monetary policy remains extremely accommodative, the recovery has been muted in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks.

China is expected to see a growth slowdown as a result of structural reforms and a sustained housing crisis. Disappointing growth in other developing countries in 2014 clearly shows the weak external demand. Moreover, domestic policy tightening, political uncertainties and supply-side constraints were other key factors causing the growth to slow-down.

India appears to be on a steady growth path as a result of macroeconomic reforms pursued by the new government, increasing foreign investments, booming business confidence, and easing inflation. India is expected to

experience the highest growth in 2015 amongst the BRICS countries. The growth outlook for other BRICS countries remains subdued.

Russia's economic growth has been severely hurt as a result of sanctions imposed by the United States (US) and the European Union (EU) and low oil prices. The country is expected to enter recession in 2015. Weak growth is expected in South Africa and Brazil as well.

Several major forces are driving the global outlook: soft commodity prices; persistently low interest rates but increasingly divergent monetary policies across major economies; and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

Overall, global growth is expected to rise moderately, to 3.0 percent in 2015, and average about 3.3 percent through 2017. High-income countries are likely to see growth of 2.2 percent in 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labour markets, subsiding fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that

held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate, rising from 4.4 percent in 2014 to 4.8 percent in 2015 and 5.4 percent by 2017. Lower oil prices will contribute to diverging prospects for oil-exporting and -importing countries, particularly in 2015.

*Source: (International Monetary Fund, World Economic Outlook — Recovery Strengthens, Research & Markets, Business Wire)*

## **Indian Economy Overview:**

India has become one of the most attractive destinations for investment owing to favourable government policies and reforms in the past few months. The approval of foreign direct investment (FDI) in several sectors has allowed investments to pour into the economy. According to the data provided by Department of Industrial Policy and Promotion (DIPP), the cumulative amount of FDI inflows in the country in the period April 2000-September 2014 was US\$ 345,073 million.

The International Monetary Fund (IMF) estimated that the country's economy is likely grow at 7.2% in FY15 and will exceed combined total of Japan and Germany by 2019. Using India's new GDP series, the IMF expects growth to pick up to 7.2% this fiscal year and accelerate further to 7.5% next year, making India the fastest growing large economy in the world.

Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. Engineering and research and development

(ER&D) export revenue from India is expected to reach US\$ 37-45 billion by 2020, from an estimated US\$ 12.4 billion in FY14, according to Nasscom.

Furthermore, the US\$ 1.2 trillion investment that the government has planned for the infrastructure sector in the 12th Five-Year Plan is set to help in further improving the export performance of Indian companies and the Indian growth story, which will consequently improve the overall Indian economy.

According to the renowned rating agency Fitch, India is the only BRIC country, where growth will accelerate, to 8% in FY16 and 8.3% in FY17, based on revised data series. The agency's earlier forecasts were 6.5% for 2015-16 and 6.8% for 2016-17, based on the old series.

A plenty of policy initiatives taken by the new Government is likely to have a positive effect on real GDP growth, including structural reforms and some fiscal and monetary policy loosening. However, the impact of such measures takes time to show up in higher growth.

Globally, Fitch expects GDP to grow by 2.7% in FY16 and 3% in FY17, up from an estimate of 2.5% in FY15. Growth will accelerate in 2015-16 in all of the three largest advanced economies for the first time since 2010, while emerging markets will continue to slow, due primarily to recession in Russia and Brazil and the structural adjustment in China.

*Source: (IBEF, International Monetary Fund, World Economic Outlook Recovery Strengthens, Fitch rating Agency)*

## Media and Entertainment Industry:

The Indian Media & Entertainment (M&E) industry is expected to grow at a CAGR of 13.9%, to grow from INR 1,026 bn in 2014 to reach INR 1,964 bn by 2019, a growth rate that is almost double that of the global M&E industry.

The television segment dominates the entertainment industry, accounting for 45% of the market share in terms of revenues, which is expected to grow further to 50% by 2018. Digitization of cable, along with changing consumer preferences for 'type of content' and 'medium of content consumption', will drive growth in the coming years. At the same time, traditional media continued to exhibit healthy growth rates, with the television sector continuing on its path of cable digitization, advertising across media buoyed by general election spends, and the emergence of e-commerce as a significant new category. The growth

in popularity of digital media continued to surge in 2014 with a significant growth in digital advertising of 44.5% over 2013. Digital media growth is expected to be the strongest in coming years with an expected 5 year CAGR of more than 30%.

Entry restrictions for foreign companies have also been relaxed and Foreign Direct Investment (FDI) caps have been recently increased in key sectors, including Direct-To-Home (DTH) and radio. Mandatory digitization of the country's TV distribution infrastructure has spurred the growth of digital cable and DTH, and created the need for these companies to fund their expansion.

Companies that understand and adapt to the economic and social fabric of the country's operating environment and that invest in tailored content and services are likely to maximize their success.

**The Indian Media and Entertainment industry: Size and Projections**

Overall industry size (INR billion) (For Calendar Years)	2008	2009	2010	2011	2012	2013	2014	Growth in 2014 over 2013	2015P	2016P	2017P	2018P	2019P	CAGR (2014-2019P)
TV	241.0	257.0	297.0	329.0	370.1	417.2	474.9	13.8%	543.2	631.2	739.6	854.6	975.5	15.5%
Print	172.0	175.2	192.9	208.8	224.1	243.1	263.4	8.3%	284.5	307.1	331.9	358.0	386.8	8.0%
Films	104.4	89.3	83.3	92.9	112.4	125.3	126.4	0.9%	136.3	155.6	170.7	186.3	204.0	10.0%
Radio	8.4	8.3	10.0	11.5	12.7	14.6	17.2	17.6%	19.6	22.3	27.0	32.7	39.5	18.1%
Music	7.4	7.8	8.6	9.0	10.6	9.6	9.8	2.3%	10.4	12.0	14.2	16.9	18.9	14.0%
OOH	16.1	13.7	16.5	17.8	18.2	19.3	22.0	14.0%	24.4	27.1	29.6	32.2	35.1	9.8%
Animation and VFX	17.5	20.1	23.7	31.0	35.3	39.7	44.9	13.1%	51.0	58.7	68.5	80.6	95.5	16.3%
Gaming	7.0	8.0	10.0	13.0	15.3	19.2	23.5	22.4%	27.5	31.8	35.4	40.0	45.8	14.3%
Digital Advertising	6.0	8.0	10.0	15.4	21.7	30.1	43.5	44.5%	62.5	84.0	115.3	138.2	162.5	30.2%
<b>Total</b>	<b>580</b>	<b>587</b>	<b>652</b>	<b>728</b>	<b>821</b>	<b>918</b>	<b>1,026</b>	<b>11.7%</b>	<b>1159</b>	<b>1330</b>	<b>1532</b>	<b>1740</b>	<b>1964</b>	<b>13.9%</b>

Source: KPMG in India analysis.



## Traditional Media:

### Growth in Traditional Media:

It is estimated that the value of the television industry in India is estimated at around INR 475 bn in 2014, and is expected to grow at a CAGR of 15.5% to reach around INR 975 bn by 2019. In terms of number of TV households, India is ranked second only to China with 168 mn TV households in total – representing a 61% penetration. Of these 168mn TV households, around 139mn (or 82% of total) are paid Cable & Satellite (C&S) subscribers. Over the next four years, paid C&S subscribers are expected to grow to 175 mn, implying a 90% household penetration.

In addition to growth in subscribers, the subscription revenue is expected to grow at an annualized rate of 16% for the next few years. This growth rate is expected to outperform the 14% growth rate that is expected from advertising revenue.

This growth in traditional media would result in an increase in demand for content across genres ultimately benefitting the content owners.

### Digitization of Traditional Media:

A major factor contributing to this growth is the on-going digitization of C&S households which began in October 2012 when the Government of India launched the Digital Addressable System (DAS) ordinance. DAS would enable consumers to access an increased number of channels, along with high-quality video and audio content. DAS has been designed to be rolled out in four phases across the country of which two have been completed (see table).

However, the resultant increase in the much-awaited addressability, improvement in economics, and increase in monetisation for Multi System Operators (MSOs) and broadcasters continued to dodge the industry in 2014. Moreover, larger geographical spread of Phase III and IV cities coupled with shortage of funding requirements and low potential for Average Revenue per User (ARPU) is expected to make it more challenging for the DAS rollout in these phases. Hence, the Ministry of Information Broadcasting (MIB) has extended the deadlines for implementation of Phase III and IV to 31st December, 2015 and 31st December 2016 respectively.

### Status of digitisation – Dec 2014

Phase	Regulatory date for shutdown	No. of paid C&S subs* (million)	Non-digitised subs (million)	Digitisation including DTH *
Phase I	12-Jun	12.0	1.0	>90% (100% excluding Chennai)
Phase II	13-Mar	22.0	1.0	>95%
Phase III	15-Dec	32.0	14.0	~50%
Phase IV	16-Dec	73.0	54.0	~25%
<b>Total</b>		<b>139.0</b>	<b>70.0</b>	<b>~50%</b>

Source: KPMG in India analysis, Industry discussions conducted by KPMG in India \* Excluding DD Free Dish

In the long run, the content owners would benefit from the digitization drive with an increase in number of channels and consequent increase in content demand.

#### **Movie segment of Traditional Media:**

Modernization of C&S households seems to be translating into moderation in the competition among broadcasters to acquire C&S rights of Hindi movies. As a result the upper limit for a single film deal has increased significantly from INR 200 mn to INR 750 mn, with broadcasters buying C&S rights before movie releases and in bulk deals.

In fact, production houses are now taking their films like 3 Idiots, Two States, Jodhaa Akbar etc. to new markets many years after their release in India. Jodhaa Akbar was one of the first Hindi movies to be viewed on Turkish television and on MBC (Middle East Broadcasting Centre). The Italian television network, Rai, used to premiere Hindi movies on weekends. Similarly, in Germany, Hindi movies found an audience on TV and home video. South Korean and German women love Indian movies and its stars. What's more, even regional films are fast catching the fancy of Indians living abroad. More than a dozen movies in an array of languages Punjabi, Tamil, Telugu, Bhojpuri, Bengali and Marathi are scheduled for overseas launch this summer.

However, selecting which movie to air has become trickier due to lacklustre performance of some box office hits on television and bland performance of a few big budget movies. This has necessitated television broadcasters to become more strategic with their films acquisition budgets, significantly impacting the C&S rights of most films. While prices of A-category films continued to hold

ground, the rest of the films took a beating either in terms of price or ability to sell the title. There were very few bulk deals and certain films, despite crossing INR 1 bn at the box office, were unable to find buyers. Nonetheless, industry experts remain optimistic on big budget movies, stressing that their C&S rights will still be bought but probably at a lower price.

#### **Advertising Spending:**

In television, advertising saw strong growth, driven by the positive shift in the macroeconomic environment, the general election spends, and the emergence of e-commerce as a significant new advertising spender, followed by mobile handset companies, while some of the traditional large advertisers such as FMCG and automobile saw renewed growth. The total TV advertising market is estimated to have grown at 14% last year and is expected to continue to grow at a similar pace until 2019. As per industry discussions, elections are expected to have contributed INR 4 bn to TV ad revenues in 2014, excluding which TV advertising grew 11% on a like-to-like basis. On the other hand, companies in the e-commerce space are said to have spent INR 7.5 bn to INR 10 bn on advertising across media, mostly on account of spends by popular private equity funded sites such as Flipkart, Snapdeal, Jabong, Olx, and Quickr.

#### **Regulatory Concerns:**

Telecom Regulatory Authority of India (TRAI) had passed a regulation in March 2013 that restricted advertisements to 12 minutes per hour while allowing for advertisements only during breaks of live sporting events, and prohibiting partial advertisements. It also required broadcasters to

submit details of advertisements carried on their channels in a specified format to TRAI.

While several Hindi entertainment channels implemented the rule, the News Broadcasters Association (NBA), independent music channels and several regional broadcasters appealed against the TRAI's order in the Delhi High Court. The Delhi High Court passed an interim order prohibiting the TRAI from taking any coercive action against channels not following the ad-cap regulations.

While the legal proceedings on implementation of the 12 min ad cap continued, the I&B minister's statement that the government is not keen on implementing the ad cap came as welcome move for many broadcasters, especially those with ad-dependent business models.

### 2015 Outlook:

In 2015, advertising across media by e-commerce companies is expected to grow by 40%, backed by huge foreign investments, as they continue their customer acquisition spree. In 2015, automobile, BFSI, and mobile handset businesses are expected to perform better than in previous years and therefore increase ad spends on TV. The rate cut by the Reserve Bank of India (RBI) is expected to stimulate the banking and finance sector which will result in higher ad spend. Thus overall TV advertising is expected to grow at 13 % this year. The implementation of the viewership measurement system by Broadcast Audience Research Council (BARC) in 2015, will likely impact the way advertising spend is allocated among different genres and channels, due to inclusion of new markets and increase in sample size.

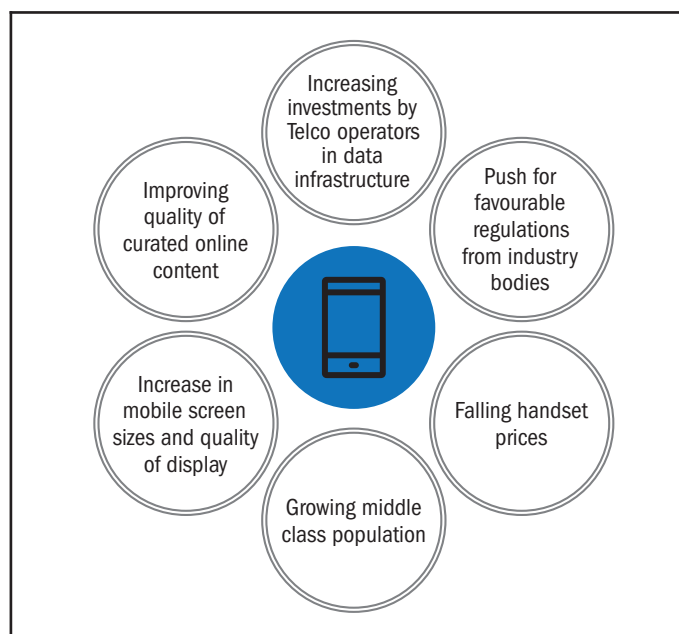
## New Media:

### Internet in India:

The Internet in India took more than a decade to move from 10 million to 100 million users and three years to move from 100 to 200 million users. In 2014, there were 281 million Internet users in India and it is expected to reach 640 mn by 2019 – a CAGR of 18% (in contrast, TV viewership is expected to grow by a CAGR of 3% till 2019). Currently, India has the third largest Internet user base in the world but it is estimated that in near future India will overtake the US as the second largest user base after China. This rapid rate of adoption is fuelled by the availability of low-cost smart phones and dropping data plan tariffs. However, the internet penetration at about 19% is much lower compared to internet penetration across other countries.

	India	Brazil	China	Russia	USA	UK	Japan
Internet penetration (%)	19%	53%	46%	60%	87%	90%	86%

### Key Drivers of Growth

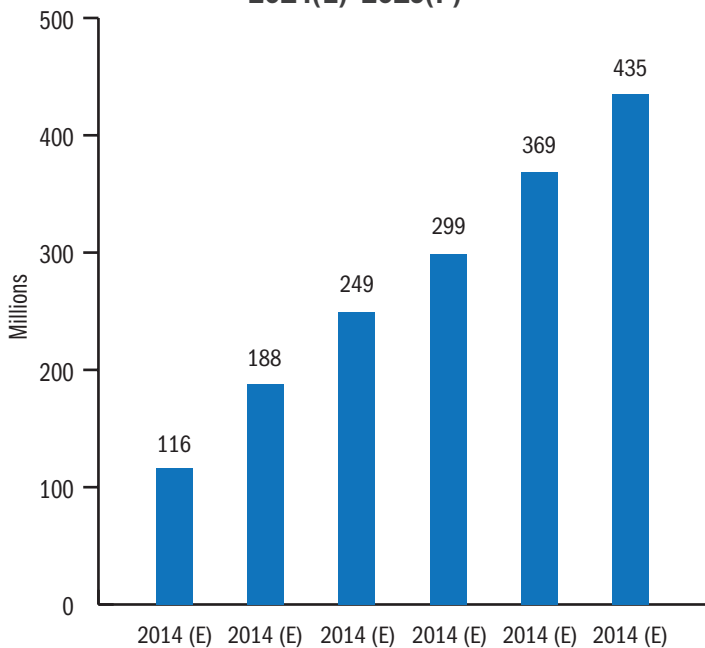




For around 93% of the respondents in urban India the primary use of Internet is search, followed by online communication and social networking. However, in rural India, entertainment is the primary reason for Internet usage, followed by communication and social networking.

A trend that is unique to India is that users who access the Internet only through a mobile or tablet device will constitute around 75% of new users and 55% of the aggregate user base in 2015, leading to increased demand for content that is optimized for a small screen. Presently, smart phone penetration in India is around 10%. This is much lower than average global smart phone penetration of 25%, allowing for a considerable upside. Also the 3G base in India grew by approximately 98% and touched an estimated 67 million in 2014.

**Internet enabled smart phones in India,  
2014(E)–2019(P)**



(Source: FICCI-KPMG, Indian M&E Industry Report 2015. Page: 98)

### Digital Video:

Content preferences are fast changing, thus requiring industry players to modify strategies accordingly as seen from shift towards regional content, HD content and innovative programming etc. There is a strong demand for flexibility in terms of timing, volume of content consumed and place of consumption.

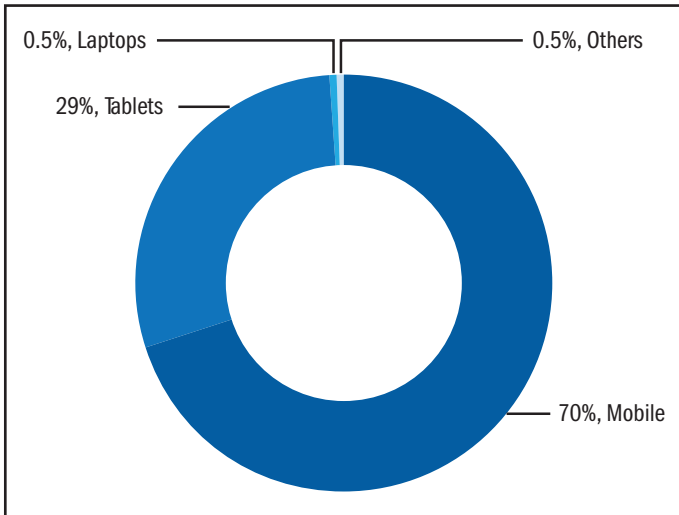
Share of video in Internet data traffic is expected to rise from about 41% in FY2012 to 64% in FY2017. An increasing number of users appear to be accessing content via mobile handsets and tablets, as against PCs. In India, consumer Internet video traffic is expected to reach 1.4 Exabyte per month in 2017, up from 121 petabytes per month in 2012.

Currently 29% of smart phone owners in India are regular users of video/movies apps while 60% of smart phone users are likely to watch videos on mobile internet. As per research, mobile video traffic in India could reach 190 million GB per month by 2016, up from 22.7million GB per month in 2013. Growth drivers include wider range of content, increasing smart phone base and change in user behaviour resulting in higher streaming of video content. For instance, Indian smart phone users on average already spend 3 hours and 18 minutes daily on their smart phones compared to 2 hours and 8 minutes on TV.

YouTube continues to take the lion's share of online video in India, accounting for more than 50% of all online videos watched. Given the low internet penetration and high data charges in India, YouTube has also recently enabled the feature to watch some videos offline on its mobile app for up to 48 hours after download.

While revenues from digital delivery of videos are still very small, the industry is not discounting the future potential and is making investments to capitalise on it. So far, monetization of on-demand content has been through advertising, but scope for subscription and pay-per-view revenues for premium, value-added and exclusive content is promising. In the medium term, as internet accessibility improves further, there will be increasing demand for customised and premium content in India.

**Devices used to access apps in India**



#### Recent trends in New Media:

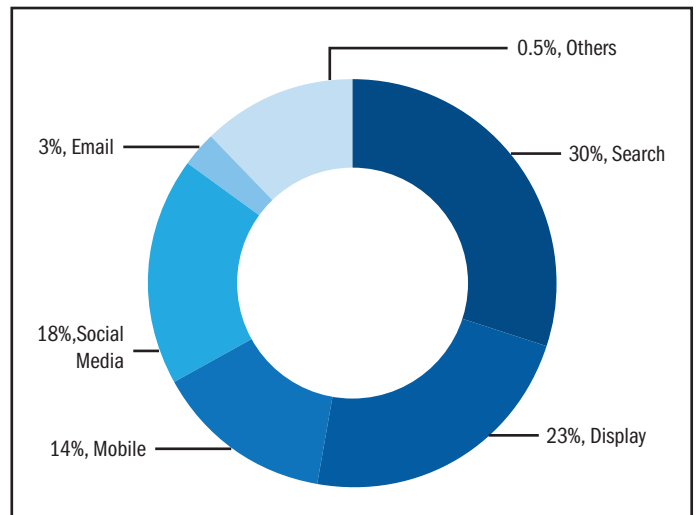
The online advertising market in India is estimated to be around INR 43.5 bn in 2014, which grew by around 44.5% over last year. Advertising by local as well as national players is on the rise on regional channels as regional channels are expected to grow at a faster pace than Hindi channels.

In digital media, the advertisers are readily opting for forced view format (in-stream) ads which have made the standard in-stream ad format (5 seconds skip able short ads placed

before, in between or post the actual video) the most preferred medium, attracting major share of the overall video ads revenue. For categories like FMCG, consumer durables, electronic gadgets and even Bollywood, releasing only television commercials (TVCs) without anything for digital media has become a thing of the past.

Video has outperformed all the other online ad formats by garnering the highest CAGR of 56% (2012-2014), leading to spend of INR 330 cr in 2014 and is expected to grow as marketers sentiment are shifting positively towards online video portals, that give higher engagement, visibility, and add to brands' recall value.

**Digital Ad Spend Mix:**



#### Future Outlook:

Even as competition is heating up among the existing players in the digital video space, there are several other players waiting in the wings: Amazon plans to launch music, video, and video streaming services in 2015, Reliance Jio is also expected to launch an on-demand content platform along with its 4G launch, Relatv – a joint venture between

Relativity Media and B4U – will launch a digital streaming platform, etc.

While traditional broadcasters and films producers are trying to port TV content and movies to digital, the emergence of made-for-internet content, with some independent content creators creating a large and loyal audience. This has coincided with the emergence of Multi-Channel Networks (MCNs) in India. MCNs are entities that affiliate with multiple channels on video platforms such as YouTube and offer assistance to the channels in many areas such as product, programming, funding, cross-promotion, and partner and audience development. MCNs basically help independent content creators to create differentiated content, achieve significant distribution of this content

on various video platforms and enable content owners to monetise their content by providing advertisers reach in the targeted demographic for their brands.

For all the convenience and flexibility of streaming content on to smart phones and tablets, the viewing experience on a high-definition large screen TV will likely remain unmatched. While smart TVs are one way for consumers to watch on-demand content on TVs, globally the market is shifting towards over-the-top (OTT) devices/Internet set-top-boxes (STBs). Overall, with the emergence of multiple platforms in the digital video space, increase in the internet & broadband reach, there is bound to be an increase in overall content demand which is a healthy sign for the content owners.

## Directors' Report

### Dear Members,

Your Directors take pleasure in submitting their 10<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2015.

(₹ In Lacs)

	<b>Current year 2014-2015</b>	<b>Previous year 2013-2014</b>
<i>Income:</i>		
Sales & Services	32,345	26,334
Other Income	126	73
<b>Total Income</b>	<b>32,471</b>	<b>26,407</b>
Direct Operational Expenses	29,272	21,858
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(8,987)	(5,154)
Employee benefit expense	1,792	1,794
Financial Costs	2,121	1,923
Depreciation and amortization expense	368	296
Other expenses	1,503	1,261
<b>Total expenditure</b>	<b>26,068</b>	<b>21,978</b>
<b>Profit Before Taxation</b>	<b>6,403</b>	<b>4,430</b>
Tax Expenses		
Current Tax:		
Income Tax	2,359	1,293
Wealth Tax	1	1
Tax in respect of earlier years	27	11
Deferred Tax	(165)	340
<b>Profit After Taxation</b>	<b>4,181</b>	<b>2,785</b>
Transfer to General Reserve	(105)	(70)
Proposed Dividend	(326)	(99)
Dividend Distribution Tax	(66)	(17)

### Review of Operations

During the year under review, the Standalone Revenue from Operations & Other Income increased to ₹ 32,345 Lacs as against ₹ 26,334 Lacs in the previous year and the Consolidated Revenue from Operations & Other Income increased to ₹ 32,471 Lacs as compared to ₹ 26,407 Lacs in the previous year.

Your Company had a standalone growth with a Net Profit after-tax of ₹ 4,181 Lacs as compared to the Net Profit after tax of ₹ 2,785 Lacs in the previous financial year and a consolidated growth with a Net Profit after tax of ₹ 4,092 Lacs as compared to the Net Profit after tax of ₹ 2,716 Lacs in the previous financial year.

### Subsidiaries and Associate Companies

As on March 31, 2015 your company has 2 (two) foreign wholly owned subsidiary companies, namely, Shemaroo Entertainment INC (USA) and Shemaroo Entertainment (UK) Private Limited, 1 (One) Indian wholly owned subsidiary company, Shemaroo Films Private Limited and 1 (One) Associate company, Vistaas Digital Media Private Limited.

Pursuant to Section 129(3) read with Rule 8 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial positions of the subsidiaries/associate company in Form AOC-1 for the financial year ended March 31, 2015 is provided under Consolidated Financial Statements of the Company.

Pursuant to Clause 49 of the Listing Agreement, the Company has also formulated a Policy for determining material subsidiaries which is uploaded on the website of the Company i.e. [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

### Consolidated Financials

The consolidated financial statements presented by the Company are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiary and associate companies, as approved by their respective Board of Directors.



## Management Discussion and Analysis

A detailed Management Discussion and Analysis forms part of this report.

### Initial Public Offering (IPO)

It is a moment of immense pride that your Company has successfully completed the Initial Public Offering (IPO) of its equity shares. The success of our IPO has shown us the trust & confidence that our customers, business partners and markets are having in the brand 'Shemaroo'.

During the financial year under review, your Company made an Initial Public Offering of 7,333,335 equity shares of face value of ₹10 per equity shares at a price of ₹170 per equity share including a share premium of ₹160 per equity share aggregating to ₹12000 lacs. The Company also offered a discount of 10% (i.e. ₹ 17) to all Retail Individual Bidders. The Bid issue was opened on September 16, 2014 and closed on September 18, 2014.

The IPO saw a good response across various categories of investors and overall our issue was subscribed 7.90 times. Retail Individual bidders quota was subscribed 8.29 times and Non institutional bidders quota was subscribed 9.11 times Qualified Institutional bidders (excluding anchor investors) quota was subscribed 6.24 times and Anchor investors quota was subscribed 1 times.

The equity shares of the Company are listed on BSE Limited (Designated Stock Exchange) and National Stock Exchange of India Limited.

The annual listing fee for the financial year 2015-2016 has been paid.

Utilisation of funds raised through Initial Public Offering (IPO) of equity shares to fund working capital requirements is as follows.

(₹ In Lacs)

Particulars	March 31, 2015
Net Issue Proceeds (Net off Issue Expenses)	12,000.00
Less: Issue Expenses paid upto 31.03.2015	1,139.35
Net proceeds from IPO	10,860.65
Amount utilised (to fund working capital requirements)	6,723.56
Funds to be utilised (remain invested in mutual funds, current account and cash credit account)	4,137.09

Pursuant to Clause 43 of the Listing Agreement, there are no variations between the projected utilisation of funds and/ or projected profitability statement made in prospectus and the actual utilisation of funds and / or actual profitability and pursuant to Clause 43A of the Listing Agreement, there are no material deviations in the use of proceeds of Public Issue from the objects stated in the offer document.

### Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members, a final dividend of ₹1.20 (Rupee One and twenty paise only) per fully paid-up equity shares of ₹10 each (i.e. 12% of the paid-up

equity share capital of Company) for the financial year ended March 31, 2015.

The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹392.59 Lacs including dividend distribution tax.

### Appropriations - Transfer To General Reserve

We propose to transfer ₹105 Lacs to the general reserve out of the amount available for appropriation and amount of ₹4,285 Lacs is proposed to be retained in the profit and loss account.

### Capital Structure

During the Financial year 2014-2015, your Company has made an Initial Public Offering of 7,333,335 equity shares of face value of ₹10 each for cash at a price of ₹170 per equity share including a share premium of ₹160 per equity share, aggregating up to ₹12,000 lacs. The issue constituted 26.98% of the fully diluted post-issue paid up capital of your company. Accordingly, the Company's issued, subscribed and paid-up share capital of the Company increased from ₹19,84,89,040 to ₹27,18,22,390.

Of the total paid up share capital of the Company, 65.82% is held by Promoters and Promoter Group, all in dematerialized form. The balance i.e. 34.18% of the total paid up share capital of the Company is held by persons other than Promoters and Promoter Group of which 96.73% of shares are held in dematerialized form.

### Number of meetings of the Board

During the financial year under review, five (5) Board meetings were held. For details of the meeting of the Board, please refer to the Corporate Governance report, which forms part of this report.

### Directors & Key Managerial Personnel

At present your Company's Board of Directors has an optimum mix of Executive and Non-Executive Directors. Out of total Ten (10) Directors, the Board comprises of Three (3) Executive Directors [(i.e. Two (2) Managing Directors and One (1) Whole Time Director & CFO)], Two (2) Non-Executive Non-Independent Directors and Five (5) Non-Executive Independent Directors [includes 1(one) Women Director]. The Chairman of the Board is a Non-Executive Director related to the Promoters and accordingly, Half (½) of the Board consists of Independent Directors.

#### i) Appointment of Independent Directors

In accordance with the provisions of the Companies Act, 1956, the Company had appointed Mr. Jayesh Parekh, Mr. Vasanji Mamania, Mr. Gnanesh Gala, Mr. Kirit Gala and Mr. Shashidhar Sinha as Independent Directors on the Board of our Company on August 29, 2011.

Pursuant to the provisions of section 149 of the Act and any other applicable provisions of the Companies Act, 2013 with respect to the Independent Directors which came in to effect from April 1, 2014, the Board of directors decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is in consonance with the provisions of the Companies Act, 2013 and the Listing Agreement, as amended.

Accordingly, the Board in its meeting dated April 26, 2014, subsequently approved by the shareholders in its Extra

Ordinary meeting dated May 26, 2014, re-appointed Mr. Jayesh Parekh, Mr. VasANJI MAMANIA, Mr. Gnanesh Gala, Mr. Kirit Gala and Mr. Shashidhar Sinha, as Independent Directors of the Company, whose term of office shall not be subject to retirement by rotation, for a term of 5 (five) years up to May 25, 2019.

#### ii) Chief Financial Officer (CFO):

Pursuant to the provisions of Section 203 of Companies Act, 2013, the Company was required to appoint a Whole Time Key Managerial Personnel as the Chief Financial Officer of the Company.

Accordingly, keeping in view the compliance of the provisions of the Companies Act, 2013, the Board appointed Mr. Hiren Gada, Whole Time Director of the Company, as the Chief Financial Officer of the Company, designated as 'Whole Time Director – Chief Financial Officer'.

#### iii) Key Managerial Personnel:

Pursuant to the provisions of Section 203 of Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules 2014, your Company has noted the appointment of the following Whole Time Key Managerial Personnel of the Company in its Board Meeting dated November 11, 2014:

- Mr. Raman Maroo – Managing Director
- Mr. Atul Maru – Jt. Managing Director
- Mr. Hiren Gada – Whole Time Director & CFO
- Mr. Vinod Karani – Vice-President of the Broadcast Syndication and Content Acquisition division.
- Mr. Hemant Karani – Vice-President of the Studio division
- Mr. Bipin Dharod – National Head for Marketing and Sales of the Home Video division
- Mr. Ketan Maru – Head of the Film Production division
- Ms. Smita Maroo – Head of the Animation division
- Mr. Harakhchand Gada – Head of Accounts division
- Ms. Mansi Maroo – Co-producer in the Film division
- Ms. Kranti Gada – Assistant Vice-President in New Media and Technologies division
- Mr. Ankit Singh – Company Secretary & Compliance Officer

#### iv) Retirement by Rotation:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and applicable rules thereto, Mr. Atul Maru, Jt. Managing Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. Your Directors recommend his re-appointment for your approval.

#### v) Resignation:

Mr. Jayesh Parekh, who was an Independent Director on the Board, has resigned with effect from March 28, 2015, due to time constraints and other pre-occupancies. He served as an Independent Director approximately for a period of 4 years. The Board places on record its deep

appreciation for the valuable contributions made by him during his tenure as an Independent Director on the Board of the Company.

#### vi) Appointment:

The Board recommends the appointment of CA Reeta Bharat Shah, who was appointed as an Additional Director of the Company with effect from March 28, 2015, pursuant to the provisions of Section 161 of the Companies Act, 2013 to hold office till the date of Annual General Meeting and in respect of whom the Company has received a requisite notice in writing from a member proposing CA Reeta Bharat Shah, for appointment as an Independent Director of the Company.

As required under Clause 49 of the Listing Agreement entered with Stock Exchanges, the information including brief profile(s) of the Directors proposed for appointment and re-appointment are mentioned at length in the Notice of ensuing Annual General Meeting.

#### vii) Declarations:

The Company has received declarations from all the Independent Directors of the Company under sub-section (7) of Section 149 confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement entered with the Stock Exchanges, as amended.

#### viii) Board performance evaluation:

Pursuant to Clause 49 of the Listing Agreement and the Companies Act, 2013 the Company has formulated Nomination and Remuneration Policy for the purpose of performance evaluation of Independent Directors, Board, Committees and other individual directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

The Nomination and Remuneration Committee has evaluated the annual performance of the Board and that of its committees, individual directors, Chairman and Independent Directors, and the same has been approved and considered by the Board in its meeting.

#### ix) Familiarization of Independent Directors:

Your Company has put in place a structured induction and familiarization programme for the Independent Directors. The Company through such programme familiarizes the Independent Director, with a brief background of the Company, nature of the industry in which it operates, its business model, operations and makes the Independent Directors aware about their roles, responsibilities and liabilities as per Companies Act, 2013 and other applicable laws.

The familiarization programme for Independent Directors has been detailed in Corporate Governance which forms part of the Annual Report.

The familiarization programme for Independent Directors in terms of provisions of Clause 49 of the Listing Agreement is uploaded on the website of the Company and can be accessed through the following link: [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

## Public Deposits

During the Financial year 2014-2015, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## Credit Rating

During the year under review, the rating agencies re-affirmed / issued the below ratings to the Company:

Nature of Instrument	Rating
Long Term Bank Facility	CRISIL A-/Stable
Long Term Bank Facility	CARE A-(Single A Minus)

## Auditors and Auditors Report

### - Statutory Auditors:

In accordance with the provisions of the Companies Act, 2013, M/s. M. K. Dandeker & Co., Chartered Accountants (Firm Registration No. 000679S) were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 9<sup>th</sup> Annual General Meeting (AGM) upto the conclusion of the 11<sup>th</sup> AGM of the Company to be held in the year 2016 (subject to ratification of their appointment by the Members at every AGM held after the 9<sup>th</sup> AGM).

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s. M. K. Dandeker & Co., Chartered Accountants to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and to authorize the Board to fix their remuneration.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark and forms part of the Annual Report.

### - Secretarial Auditors:

M/s. Manish Ghia & Associates, Practicing Company Secretary (Membership no. FCS 6252 and Certificate of Practice no. 3531) has conducted Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013, for the financial year 2014-15. M/s. Manish Ghia & Associates has submitted the Report confirming compliance with the applicable provisions of Companies Act, 2013 and other rules and regulations issued by SEBI and other regulatory authorities. There was no qualifications, reservations or adverse remarks made by the Practicing Company Secretary in their report.

## Directors Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors Responsibility Statement, the Directors hereby confirm that:

1. in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable Accounting Standards have been and that no material departures have been made from the same.
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 true and fair view of the state of affairs of the Company at the year ended March 31, 2015 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care to the best of their knowledge and ability 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. that the Directors have prepared the Annual Accounts for the year ended March 31, 2015 on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal controls are adequate and are operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Annual Return

Pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return is given in Annexure 'A' which forms part of Annual Report.

## Contracts / Arrangements with Related Parties

All contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. No Material Related Party Transactions were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3) (h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

All Related Party Transactions are placed before the Audit Committee for approval. An omnibus approval of the Audit Committee is obtained for related party transactions which are repetitive in nature. The Audit Committee reviews all transactions entered into pursuant to the omnibus approval(s) so granted on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web link: [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

## Particulars of Loans Guarantees or Investments made under section 186 of the Companies Act 2013

Details of Loans, Guarantees or Investments made under Section 186(4) of the Companies Act, 2013 read with Clause 32 of the Listing Agreement are as follows:

## A. Loans given

(₹ in lacs)

Sr.	Particulars	2014-15	2013-14
1.	Wholly Owned Subsidiary	260.76	48.22
2.	Inter Corporate Deposits/Others	524.00	599.65

### Notes:

- All loans given to unrelated corporate entities / others at an interest ranging from 9% to 18%.
- All loans are short term in nature.
- All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

## B. Investments made

There are no investments by the Company other than those stated under Note 2.11 in the Financial Statements.

## C. Guarantees given

There are no guarantees given during the year.

## D. Securities given

There are no securities given during the year.

## Whistle Blower Policy / Vigil Mechanism

Your Company has adopted Whistle Blower Policy / Vigil Mechanism to comply with the regulatory requirements and to provide a framework to promote responsible and secure whistle blowing. This policy helps to protect employees wishing to raise a concern about serious irregularities within the Company. This mechanism provides for adequate safeguards against victimization of persons who use such mechanism.

The policy on Whistle Blower Policy / Vigil Mechanism as approved by the Board is placed on the company's website [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

## Composition of an Audit Committee

Your Company has originally constituted Audit Committee at the Board meeting held on August 29, 2011, ("Audit Committee"). Further it was re-constituted by the Board at its meeting held on May 29, 2014.

The Audit Committee comprises of the following members:

Name of Member	Designation	Nature of Directorship
Mr. Gnanesh Gala	Chairman	Independent Director
Mr. Kirit Gala	Member	Independent Director
Mr. Hiren Gada	Member	Executive Director

The detailed scope and functions are given in the Corporate Governance Report.

## Risk Management Policy

Pursuant to the provisions of Section 134 of the Companies Act, 2013, your Company has adopted the policy and procedures with regard to risk management. The Company has laid down the framework to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. This Policy ensures the sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating

and resolving risks associated with the Company's business.

In terms of Clause 49 of the Listing Agreement, the Constitution of Risk Management Committee was not applicable during the financial year 2014-2015.

## Sexual Harassment Policy

The Company has in place policy on Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy. Your Company has constituted Complaints Committee to redress complaints received regarding sexual harassment. During the year under review, no complaints were received in this regards.

## Internal Control System and Compliance Framework

The Company has an Internal Control System, commensurate with size, scale and its operations. The Internal Financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

In regards to the aforesaid, your company has appointed M/s. Mahajan & Aibara as Internal Auditors of the Company. The Internal Auditors carry out audit, covering inter alia, monitoring and evaluating the adequacy of internal control systems in the company, its compliance with operating systems, accounting procedures and policies and submit their periodical internal audit reports to the Audit Committee. Based on the Internal Audit report and review of the Audit Committee, your company undertakes necessary actions in their respective areas. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating efficiently.

## Managerial Remuneration and Particulars of Employees

The information required pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure 'B' and forms part to the Director's report of this Annual Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employees were in receipt of remuneration of ₹ 60 lacs or more per annum and ₹ 5 lacs or more per month. Hence, no separate disclosure is made by the Company in this regard.

Your Company has paid the remuneration to all the Directors / Key Managerial Personnel's / Employees as per the Nomination and Remuneration Policy.

## Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance, the internal governance policies are well documented and the Company has put in place a formalised system of Corporate Governance setting out the structure, processes and practices of governance within the Company.

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.



The requisite certificate from the Practicing Company Secretaries confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 is attached to the Report on corporate governance.

### **Significant and material Orders passed by the Regulators/ Courts, if any**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

### **Conservation of Energy, Technology Absorption and Foreign Exchange**

Your Company consumes power to the extent required in administrative functions. Considering Company's business activities, information required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Directors Report) Rules, is not applicable to the Company.

#### **1. Conservation of Energy**

Your Company, being a service provider, requires minimal energy consumption and every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

The operations of the Company are not energy-intensive. The Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient and also under cost reduction. Following energy conservation measures were taken during the year under review:

- Administration keep a regular check on whether the Computer systems provided to the employees have been shut down properly at the time of closure of office etc.
- Optimization of lighting by replacing tube lights with CFLs / LED.

Further, since energy costs comprise a very small part of your Company's total expenses, the financial implications of these measures are not material.

#### **2. Technology Absorption**

The sector in which the Company is engaged does not involve any specialized or innovative use of technology. The Company's technological initiatives are mainly used in Studio functions of the Company which uses latest state of art technology. The Company is an established Filmed Entertainment "Content House" and considering our business there is limited scope of technology absorption, adaptation and innovation. However, the Company believes that only progressive research and development will help to measure up to future challenges and opportunities. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

#### **3. Foreign Exchange Earnings & Outgo**

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

#### **Human Resources**

Human Resources are of paramount importance for the sustenance and growth of any industry. Being in the business of creativity, to ensure sustainable business growth, over the years your Company has been focusing on strengthening its talent management. The Company has always valued its employees. The HR department is geared towards ensuring recruitment, retention and development of the best talent in the industry with focus to contribute, strive towards excellence continuously. Your company continues to give maximum thrust to its Human Resources Development.

The HR department are reviewing the Individual performance(s) on Quarterly basis. The performance(s) are measured through Key Result Areas which provide an opportunity for employees to stretch themselves and contribute to the overall success of organization. Human Resource Policies and Practices are regularly reviewed and revised to suit the employees and organization needs.

The Company practices various interactive sessions on Team Building, Motivation and Stress Management to keep the employees motivated and improve their work style. The total employee strength at the end of financial year 2014-15 is 340.

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

#### **Corporate Social Responsibility - Social Commitments**

As per the provisions of Companies Act, 2013, all companies having a net worth of ₹ 500 crore or more, or turnover of ₹1000 crore or more or a net profit of ₹ 5 crore or more during any financial year is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board comprising 3 or more directors, at least one of whom shall be an Independent Director.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee (CSR) has been constituted. The said Committee has adopted a CSR Policy with primary focus on Rural Transformation, Health care, Environment, Education and Culture, besides these focus areas, your company shall also undertake the CSR activities listed in Schedule VII of the Companies Act, 2013. The Committee shall monitor the CSR Policy and implement the same from time to time.

Past from many years before the Corporate Social Responsibility (CSR) had become mandatory responsibility of the corporates, your Company has

engaged in such activities for decades for improving the living standards of economically weaker section of the society. Your Company has been striving to achieve a fine balance between economic and social imperatives, while also paying attention to the needs and expectations of our internal as well as external stakeholders. Our Corporate Social Responsibility is not limited to Philanthropy, but encompasses holistic community development. Your Company is striving to fulfil its social responsibilities through donations in trusts and helping them in accomplishment of their social activities along with taking initiatives for the societies / schools which are formed for disabled persons. Accordingly, your Company spent ₹56.69 Lacs towards CSR activities in FY 2014-2015. Implementation of some of the CSR activities did not commence before end of the financial year. The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year 2014-15 is attached as Annexure 'C' to this Report and contents of the CSR policy is available on our website at [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

#### 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.

#### Acknowledgement

Your Directors take this opportunity to express their sincere appreciation for the continued assistance and co-operation received from customers, shareholders, suppliers, bankers, business partners / associates, financial institutions and Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Depositories and other stakeholders for their consistent support and encouragement to the Company.

Your Directors recognize and appreciate the hard work and commitment of all the employees of the Company and its subsidiaries. Their dedication and competence has ensured that the Company continues to remain in the forefront of Media and Entertainment business.

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

**Raman Maroo**  
(DIN: 00169152)  
Managing Director

**Atul Maru**  
(DIN: 00169264)  
Jt. Managing Director

*Mumbai*  
*July 30, 2015*

## Annexure 'A' to Directors' Report

### Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- a. CIN : L67190MH2005PLC158288
- b. Registration Date : December 23, 2005
- c. Name of the Company : Shemaroo Entertainment Limited
- d. Category / Sub-Category of the Company : Public Company / Limited by shares
- e. Address of the Registered office and 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: +91-22-28519770
- f. Whether listed company : Yes
- g. Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Pvt. Ltd.  
Unit: Shemaroo Entertainment Limited  
C-13, Pannalal Silk Mills Compound,  
Lal Bahadur Shastri Road, Bhandup West, Mumbai-400078  
Tel No.:- 022-2594 6970 / 022-25963838

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company :-

Sr. No.	Name and 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	92.33 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section of Companies Act, 2013
1	Shemaroo Entertainment (UK) Private Ltd. 3 <sup>rd</sup> Floor, Paternoster House, 65, St Pauls's Churchyard, London – EC4M 8AB, United Kingdom	NA	Subsidiary	100.00	2(87)(ii)
2	Shemaroo Entertainment Inc. 29 Meadow Bluff Road, Morris Plains, NJ -07950	NA	Subsidiary	100.00	2(87)(ii)
3	Shemaroo Films Private Limited Shemaroo House, Plot No. 18, Marol Co-Op. Industrial Estate, Off Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	U22130MH2012PTC237345	Subsidiary	100.00	2(87)(ii)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lacs	475684	50636	526320	2.65	1126946	1	1126947	4.15	1.5
ii) Individual shareholders holding nominal share capital in excess of ₹1 lacs	-	-	-	-	941326	101272	1042598	3.84	3.84
c. Others									
i) Clearing Member	-	-	-	-	85892	-	85892	0.32	0.32
ii) Office Bearers	336400	-	336400	1.69	336400	-	336400	1.24	(0.45)
iii) Foreign Portfolio Investor (Corporate)	-	-	-	-	274000	-	274000	1.01	1.01
iv) Non Residents Indians (NRI)	-	101272	101272	0.51	290163	-	290163	1.06	0.55
v) Directors/ Relatives	50636	153308	203944	1.03	50636	-	50636	0.19	(0.84)
vi) Trust	-	101264	101264	0.51	-	101264	101264	0.37	(0.14)
Sub-total(B)(2):	1449232	507752	1956984	9.87	4518082	303809	4821891	17.75	7.88
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1449232	507752	1956984	9.87	8986510	303809	9290319	34.19	24.32
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>17518312</b>	<b>2330592</b>	<b>19848904</b>	<b>100</b>	<b>26878430</b>	<b>303809</b>	<b>27182239</b>	<b>100</b>	<b>100</b>

## ii. Shareholding of promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Buddhichand Maroo	3575320	18.01	0	3575320	13.15	0	(4.86)
2	Raman Maroo	4809520	24.23	0	4809520	17.69	0	(6.54)
3	Atul Maru	4809520	24.23	0	4809520	17.69	0	(6.54)
4	Hiren Gada	1640520	8.27	0	1640520	6.04	0	(2.23)
5	Jai Maroo	1234200	6.22	0	12342000	4.54	0	(1.68)
6	Technology and Media Group Pte Limited	1822840	9.18	0	1822840	6.71	0	(2.47)
<b>TOTAL</b>		<b>17891920</b>	<b>90.14</b>	<b>0</b>	<b>17891920</b>	<b>65.82</b>	<b>0</b>	<b>(24.32)</b>

Note: The percentage of the shareholding has been diluted during the year due to Initial Public Offer (IPO).



## iii. Change in promoters' shareholding ( please specify, if there is no change):

Sr. No.	Name	Shareholding at the beginning of the year		Date for Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning/ end of the year	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Buddhichand Maroo	3575320	18.01	-	-	3575320	13.51
2	Raman Maroo	4809520	24.23	-	-	4809520	17.69
3	Atul Maru	4809520	24.23	-	-	4809520	17.69
4	Hiren Gada	1640520	8.27	-	-	1640520	6.04
5	Jai Maroo	1234200	6.22	-	-	1234200	4.54
6	Technology and Media Group Pte Limited	1822840	9.18	-	-	1822840	6.71

Note: The percentage of the shareholding has been diluted during the year due to Initial Public Offer (IPO).

## iv. Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRS and ADRS):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	COPTHALL MAURITIUS INVESTMENT LIMITED#				
	At the beginning of the year	0	0.0000	0	0.0000
	09/01/2015 (Market Purchase)	240000	0.8829	240000	0.8829
	16/01/2015 (Market sell)	186000	0.6843	426000	1.5672
	23/01/2015 (Market sell)	991254	3.6467	1417254	5.2139
	30/01/2015 (Market purchase)	422746	1.5552	1840000	6.7691
	06/02/2015 (Market Purchase)	500000	1.8394	2340000	8.6086
	<b>At the end of the year</b>			<b>2340000</b>	<b>8.6086</b>
2	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND#				
	At the beginning of the year	0	0.0000	0	0.0000
	03/10/2014 (Market purchase)	882300	3.2459	882300	3.2459
	10/10/2014 (Market purchase)	693383	2.5509	1575683	5.7967
	17/10/2014 (Market purchase)	374716	1.3785	1950399	7.1753
	12/12/2014 (Market sell)	(26000)	(0.0957)	1924399	7.0796
	19/12/2014 (Market sell)	(54579)	(0.2008)	1869820	6.8788
	31/12/2014 (Market sell)	(67300)	(0.2476)	1802520	6.6312
	02/01/2015 (Market sell)	(9250)	(0.0340)	1793270	6.5972
	09/01/2015 (Market sell)	(82538)	(0.3036)	1710732	6.2936
	23/01/2015 (Market sell)	(33000)	(0.1214)	1677732	6.1722
	30/01/2015 (Market sell)	(167000)	(0.6144)	1510732	5.5578
	06/02/2015 (Market sell)	(96500)	(0.3550)	1414232	5.2028
	13/02/2015 (Market sell)	(80025)	(0.2944)	1334207	4.9084
	20/02/2015 (Market sell)	(21300)	(0.0784)	1312907	4.8300
	27/02/2015 (Market sell)	(194367)	(0.7151)	1118540	4.1150
	20/03/2015 (Market sell)	(9000)	(0.0331)	1109540	4.0819
	27/03/2015 (Market sell)	(13400)	(0.0493)	1096140	4.0326
	31/03/2015 (Market sell)	(59600)	(0.2193)	1036540	3.8133
	<b>At the end of the year</b>			<b>1036540</b>	<b>3.8133</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	TATA INVESTMENT CORPORATION LIMITED#				
	At the beginning of the year	0	0.0000	0	0.0000
	03/10/2014 (Market Purchase)	32295	0.1188	32295	0.1188
	10/10/2014 (Market Purchase)	265858	0.9781	298153	1.0969
	17/10/2014 (Market Purchase)	1847	0.0068	300000	1.1037
	<b>At the end of the year</b>			<b>300000</b>	<b>1.1037</b>
4	CREDIT SUISSE (SINGAPORE) LIMITED#				
	At the beginning of the year	0	0.0000	0	0.0000
	13/02/2015 (Market Purchase)	78322	0.2881	78322	0.2881
	20/02/2015 (Market Purchase)	13678	0.0503	92000	0.3385
	27/02/2015 (Market Purchase)	182000	0.6696	274000	1.0080
	<b>At the end of the year</b>			<b>274000</b>	<b>1.0080</b>
5	JAI-VIJAY RESOURCES PVT LTD#				
	At the beginning of the year	0	0.0000	0	0.0000
	10/10/2014 (Market Purchase)	260000	0.9565	260000	0.9565
	<b>At the end of the year</b>			<b>260000</b>	<b>0.9565</b>
6	TARRA FUND#				
	At the beginning of the year	0	0.0000	0	0.0000
	30/01/2015 (Market Purchase)	250000	0.9197	250000	0.9197
	<b>At the end of the year</b>			<b>250000</b>	<b>0.9197</b>
7	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE PURE VALUE FUND#				
	At the beginning of the year	0	0.0000	0	0.0000
	03/10/2014 (Market purchase)	254405	0.9359	254405	0.9359
	23/01/2015 (Market sell)	(50000)	-0.1839	204405	0.7520
	<b>At the end of the year</b>			<b>204405</b>	<b>0.7520</b>
8	AKASH BHANSHALI #				
	At the beginning of the year	0	0.0000	0	0.0000
	17/10/2014 (Market Purchase)	200000	0.7358	200000	0.7358
	<b>At the end of the year</b>			<b>200000</b>	<b>0.7358</b>
9	RADHIKA HOTELS PVT LTD *				
	At the beginning of the year	166856	0.8507	166856	0.8507
	<b>At the end of the year</b>			<b>166856</b>	<b>0.6138</b>
10	JAYESH ARVIND PAREKH *				
	At the beginning of the year	153308	0.7724	153308	0.7724
	<b>At the end of the year</b>			<b>153308</b>	<b>0.5640</b>

# Opening Balance is NIL as allotted shares in the Initial Public Offering (IPO).

\*The percentage of the shareholding has been diluted during the year due to Initial Public Offer (IPO).

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding at the beginning of the year		Date for Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Buddhichand Maroo	3575320	18.01	-	-	3575320	13.51
2	Raman Maroo	4809520	24.23	-	-	4809520	17.69
3	Atul Maru	4809520	24.23	-	-	4809520	17.69
4	Hiren Gada	1640520	8.27	-	-	1640520	6.04
5	Jai Maroo	1234200	6.22	-	-	1234200	4.54
6	Vasanji Mamanja	50636	0.26	-	-	50636	0.19
7	Hemant Karani	65640	0.33	-	-	65640	0.24
8	Ketan Maru	82040	0.41	-	-	82040	0.30
9	VinodKarani	114840	0.58	-	-	114840	0.42
10	Harakhchand Gada	32840	0.17	-	-	32840	0.12
11	Bipin Dharod	41040	0.21	-	-	41040	0.15

Note: The percentage of the shareholding has been diluted during the year due to Initial Public Offer (IPO).

**V. INDEBTEDNESS:**

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

(₹ in lacs)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2014)				
i) Principal Amount	13,829.99	3,322.90	1,156.00	18,308.99
ii) Interest due but not paid	-	8.71	-	8.71
iii) Interest accrued but not due	-	9.87	-	9.87
Total (i+ii+iii)	13,829.99	3,341.48	1,156.00	18,327.47
Change in Indebtedness during the financial year				
• Addition	3,172.10	5,297.85	-	8,469.95
• Reduction	7,158.20	4,760.51	1,156.00	13,074.71
Net Change	(3,986.10)	537.34	(1,156.00)	(4604.76)
Indebtedness at the end of the financial year (As on 31.03.2015)				
i) Principal Amount	9,843.88	3,860.24	-	13,704.12
ii) Interest due but not paid	-	3.19	-	3.19
iii) Interest accrued but not due	-	17.69	-	17.69
Total (i+ii+iii)	9,843.88	3,881.12	-	13,725.00

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole Time Directors and/or Manager:**

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Raman Maroo	Atul Maru	Hiren Gada	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.62	41.62	31.62	114.86
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.40	1.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify	0.17	0.17	0.17	0.51
	<b>TOTAL (A)</b>	<b>42.19</b>	<b>42.19</b>	<b>32.19</b>	<b>116.57</b>
	Ceiling as per the Act	₹654.19 lacs (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**B. Remuneration to other Directors:**

## 1. Independent Directors :

Name of Director	Fees for attending Board Meeting	Commission	Others	Total
Gnanesh Gala \$	-	-	-	-
Kirit Gala \$	-	-	-	-
Vasanji Mamania	₹20,000	-	-	₹20,000
Shashidhar Sinha	-	-	-	-
Jayesh Parekh ^	₹20,000	-	-	₹20,000
Reeta Shah **	-	-	-	-
<b>TOTAL (1)</b>	<b>₹40,000</b>	<b>-</b>	<b>-</b>	<b>₹40,000</b>

## 2. Non-Executive Director:

Name of Director	Fees for attending Board Meeting	Commission	Others	Total
Buddhichand Maroo	₹20,000	-	-	₹20,000
Jai Maroo	₹20,000	-	-	₹20,000
<b>TOTAL (2)</b>	<b>₹40,000</b>	<b>-</b>	<b>-</b>	<b>₹40,000</b>
Total (1 + 2)	₹80,000	-	-	₹80,000
Ceiling as per the Act	₹ 65.42 Lacs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**Notes:**

The Board of Directors in its meeting had decided to initiate payment of sitting fees to the directors for attending the meetings of the Boards only post listing of the equity shares 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.

^ Ceased to be Director w.e.f March 28, 2015.

\*\*Appointed as Director w.e.f March 28, 2015.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel								Total			
		Hemant Karani	Vinod Karani	Ketan Maru	Harakhchand Gada	Bipin Dharod	Ankit Singh	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	23.54	29.46	21.57	16.40	17.63	15.62	28.92	22.53	3.97			179.64
(b)	Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	0.40	1.55	0.40	0.40	0.40	-	0.40	-	0.40			3.95
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-	-	-	-	-			
2	Stock Option	-	-	-	-	-	-	-	-	-			
3	Sweat Equity	-	-	-	-	-	-	-	-	-			
4	Commission	-	-	-	-	-	-	-	-	-			
5	Others, please specify	0.58	0.68	0.55	0.51	0.48	0.46	0.86	0.49	0.26			4.87
	<b>TOTAL</b>	<b>24.52</b>	<b>31.69</b>	<b>22.52</b>	<b>17.31</b>	<b>18.51</b>	<b>16.08</b>	<b>30.18</b>	<b>23.02</b>	<b>4.63</b>			<b>188.46</b>

**VII. Penalties / Punishment/ Compounding of Offences:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.



## Annexure 'B' to Directors' Report

### Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of 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 2014-15 is as follows:

(₹ in lacs)

Sr. No.	Name of Director	Total Remuneration for financial year 2014-15 <sup>^</sup>	% increase in Remuneration in the Financial Year 2014-15 <sup>^</sup>	Ratio of remuneration of each Director to median remuneration of employees <sup>^</sup>
1	Buddhichand Maroo Chairman & Non-Executive Director	Nil	Nil	Nil
2	Raman Maroo Managing Director	42.19	0.19 %	13.65:1
3	Atul Maru Joint Managing Director	42.19	0.19 %	13.65:1
4	Hiren Gada Whole Time Director & Chief Financial Officer	32.19	0.22 %	10.42:1
5	Jai Maroo Non-Executive Director	Nil	Nil	Nil
6	Gnanesh Gala Independent Director	Nil	Nil	Nil
7	Kirit Gala Independent Director	Nil	Nil	Nil
8	Vasanji Mamania Independent Director	Nil	Nil	Nil
9	Jayesh Parekh Independent Director	Nil	Nil	Nil
10	Shashidhar Sinha Independent Director	Nil	Nil	Nil
11	Reeta Shah Independent Director	*	*	*
12	Ankit Singh Company Secretary & Compliance Officer	16.08	17.98 %	Not Applicable

<sup>^</sup> No remuneration was paid to Non-Executive Directors and Independent Directors except for Sitting Fees.

\* Appointed as Director w.e.f March 28, 2015 and no meeting was held during the period under review after the appointment.

**B. The median remuneration of employees of the Company during the financial year was ₹3,09,238**

**C. The percentage increase in the median remuneration of Employees for the financial year was 10.43%.**

**D. There were 340 permanent employees on the rolls of Company as on March 31, 2015**

**E. Relationship between average increase in remuneration and Company's performance:**

The Profit before Tax for the financial year ended March 31, 2015 increased by 44.54 % whereas the increase in median remuneration was 10.43%. The average increase in median remuneration was in line with the performance of the Company.

Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Your Company maintains a simple compensation structure which allows the employees to have flexibility in the way in which they realize their salaries. The pay for an employee depends on his / her performance against the objectives set for the year.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The remuneration of Key Managerial Personnel increased by 2.55% from ₹275 lacs in 2013-14 to ₹282.01 lacs in 2014-15, whereas the Profit before Tax increased by 44.54% to ₹ 6402.63 Lacs in 2014-15 compared to ₹4429.51 Lacs in 2013-14.

*\*During the financial year 2013-14, remuneration paid to Ms. Kranti Gada was only for part of the year. Hence, same is not been considered while calculating percentage increase in remuneration of KMP.*

**G. Details of Share price and market capitalization:**

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on 31 March, 2015	As on 31 March, 2014
Price Earnings Ratio	10.34	*
Market Capitalisation (₹ Cr)	₹ 498.52	*

\*Shares have been listed on BSE and NSE w.e.f October 01, 2014.

**Comparison of share price at the time of last public offer and market price of the share on March 31, 2015:**

Market Price as on March 31, 2015*	₹183.40
Issue Price of shares in the initial public offer (IPO) in 2014	₹170
% increase of Market price over the price at the time of initial public offer	7.88 %

\* Closing market price as at the close of market hours on BSE Limited, Designated Stock Exchange of the Company.

**H. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:**  
(₹ in lacs)

Sr. No.	Name of KMPs	Remuneration of KMP for financial year 2014-15	Comparison of the Remuneration of each KMP against the performance of the Company	
			Comparison with Profit before Tax of ₹6402.63	Comparison with Profit After Tax of ₹4180.81
1	Raman Maroo	42.19	0.007	0.010
2	Atul Maru	42.19	0.007	0.010
3	Hiren Gada	32.19	0.005	0.008
4	Harakhchand Gada	17.31	0.003	0.004
5	Ankit Singh	16.08	0.003	0.004
6	Vinod Karani	31.69	0.005	0.008
7	Hemant Karani	24.52	0.004	0.006
8	Bipin Dharod	18.51	0.003	0.004
9	Ketan Maru	22.52	0.004	0.005
10	Smita Maroo	30.18	0.005	0.007
11	Mansi Maroo	4.63	0.001	0.001
12	Kranti Gada	23.02	0.004	0.006

- I. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 2.77% whereas the increase in the managerial remuneration for the same financial year was 2.55%. The increase in remuneration of employee is based on the remuneration policy of the company which rewards each employee differently based on their contribution towards the success of the company, industry trends, their stability, etc. and ensures that the market competitiveness and competence of the Company is preserved.

\*During the financial year 2013-14, remuneration paid to Ms. Kranti Gada was only for part of the year. Hence, same is not been considered while calculating percentage increase in remuneration of KMP.

**J. Key parameters for the variable component of remuneration paid to the Directors:**

The key parameters for the variable component of remuneration to the Directors are decided by the Board of Directors based on recommendations of the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

During the financial year under review, no payment was made on account of variable component of the remuneration to the Directors.

- K. No employee of the Company was paid remuneration in excess of the highest paid Director.

**L. 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.

## Annexure 'C' to Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE FINANCIAL YEAR 2014-2015

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.	Pursuant to the provisions of section 135 of Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Corporate Social Responsibility Committee of the Board has approved a CSR Policy. As outlined in the CSR policy, Company's focus areas are: <ol style="list-style-type: none"> <li>1. Rural Transformation</li> <li>2. Healthcare</li> <li>3. Environment</li> <li>4. Education</li> <li>5. Culture</li> </ol> CSR Policy is placed on the Company's website at <a href="http://www.shemarooent.com/?p=Code_of_Conduct">http://www.shemarooent.com/?p=Code_of_Conduct</a>
2	The Composition of the CSR Committee	<ol style="list-style-type: none"> <li>1. Atul Maru (Chairman and Jt. Managing Director)</li> <li>2. Hiren Gada (Member and Whole Time Director &amp; CFO)</li> <li>3. Vasanji Mamania (Member and Independent Director)</li> </ol>
3	Average net profit of the company for last three financial years	₹ 3692.81 Lacs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 73.86 Lacs
5	Details of CSR spent during the financial year: A. Total amount spent B. Amount unspent, if any C. Manner in which the amount spent during the financial year	₹ 56.69 Lacs ₹ 17.17 Lacs As detailed in <b>Annexure 1</b>

We hereby declare that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of your Company.

**Raman Maroo**  
(DIN: 00169152)  
Managing Director

**Atul Maru**  
(DIN: 00169264)  
Chairman – CSR Committee  
& Jt. Managing Director

July 30, 2015

## Annexure 1

## 5(C). Manner in which the amount spent during the financial year:

Sr. No.	CSR Project or activity identified	Projects or programs 1. Local Area or other 2. Specify the state where project was undertaken	Sector in which the project is covered	Amount outlay (budget) projects 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	A. Cancer relief & Care B. Medical Camp C. Healthcare D. Making available safe drinking water	Mumbai (Maharashtra) Bhuj, Bhojaj (Kutch), Gujarat	Promoting Healthcare & Hygiene and Sanitation	27.41	27.41	27.41	Indirect
2	A. Training to College / Institution Students, Scholarship to children, Vocational Skills, Donations to Institutions and promoting education. B. Education for Differently Abled C. Research & Training Institute	Mumbai (Maharashtra), Songadh (Saurashtra), Mandavi (Kutch), Gujarat	Promoting education, including special education and vocation skills.	13.92	13.92	13.92	Indirect
3	A. Welfare & Upliftment of Members of Society --Social, Sports, Educational & Medical Spheres B. Setting up home for socially & economically backwards groups C. Culture	Mumbai (Maharashtra), Melattur (Tamil Nadu)	Community Development, Rural Transformation & Protection of natural heritage, art & culture	15.36	15.36	15.36	Indirect

## \* Details of implementing agency:

- Jeevan Jyot Cancer Relief & Care Trust, 2. Indian Red Cross Society, 3. K.V.O Mitra Mandal, 4. Shri Mahavir Jain Charitra Kalyan Rainashram, 5. SMT. Kamla Mehta Dadar School For The Blind, 6. The N.S.D. Industrial Home For The Blind, 7. Kunal Educational Society, 8. Shir Kalyanji Thakershi & Sons Jain Vidya Niketan, 9. Sheth Dhanji Devshi K.V.O. Kelavani Fund, 10. Shri Hirji Bhojraj & Sons C.V.O. Jain Chhatralay, 11. Kutch Yuvak Sangh (Mumbai), 12. Shree Kutchhi Visa Oswal Seva Samaj, 13. Shree Jalaram Charitable Trust, 14. Kutchi Jain Foundation, 15. Shree K.V.O. Jain Mahajan Bhuj, 16. Shri Mumbai Dishawal Samaj, 17. Shree K.V.O. Jain Mahajan Mumbai, 18. Sri Lakshmi Narasimha Jayanti Bhagavata Mela Natya N. Sangam, 19. Vivekgram, 20. Matushri Prabhavati Gangji Shamji Chheda Charitable Trust, 21. Shri Bhojaj Sarvodaya Trust.

## CORPORATE GOVERNANCE

### 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.

The Securities and Exchange Board of India (SEBI) amended the Listing Agreement effective from October 01, 2014, to bring in additional corporate governance norms for listed entities and are aimed to encourage companies to 'adopt best practices on corporate governance'.

Your Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges with regards to the Corporate Governance.

### 2. The Board of Directors

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The primary role of the Board is to ensure fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders. The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

#### Board composition:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement as well as the Companies Act, 2013, as amended from time to time.

Out of total Ten (10) Directors, the Board comprises of Three (3) Executive Directors [(i.e. Two (2) Managing Directors and One (1) Whole Time Director & CFO)], Two (2) Non-Executive Non-Independent Directors and Five (5) Non-Executive Independent Directors. The Chairman of the Board is a non-executive Director related to Promoter and accordingly, Half (½) of the Board consists of Independent Directors.

The Board comprises of professionals from various fields, possessing varied skills, expertise and vast experience. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The composition and categories of the Board of Directors are as follows:

Category	Name of Directors
Promoter Directors (Executive Directors)	Mr. Raman Maroo, Managing Director Mr. Atul Maru, Joint Managing Director
Executive Directors	Mr. Hiren Gada, Whole Time Director & CFO
Non – Executive, Non – Independent Director	Mr. Buddhichand Maroo, Chairman Mr. Jai Maroo
Independent Director	Mr. Gnanesh Gala Mr. Kirit Gala Mr. Vasanji Mamania Mr. Shashidhar Sinha CA Reeta Shah

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.



**Board Independence:**

Independent Directors on the Board of Shemaroo are renowned people having experience / expertise in their respective field / profession and Half (½) of the Board of Shemaroo consists of the Independent Directors.

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors meets the criteria of 'Independence' in terms of clause 49 of the Listing Agreement and Section 146(6) of the Companies Act 2013, as amended.

The Code for Independent Directors is available on Company's website at [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

**Board Meetings:**

During the financial year 2014-15, Five (5) Board meetings were held on April 26, 2014, May 29, 2014, September 27, 2014, November 11, 2014, and January 20, 2015.

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

**Attendance at Board Meetings and last Annual General Meeting (AGM) and details of memberships of Directors' in Boards and Board Committees:**

As mandated by Clause 49, none of the Directors is a member of more than ten Board level Committees or Chairman of more than five Committees across companies in which he is a Director.

Name of Director	No. of Board Meeting attended during 2014-2015	Attendance at last AGM	Directorship in other Companies(#)	No. of Committee positions (@)	
				Chairmanships	Memberships
Buddhichand Maroo	5	YES	NIL	NIL	NIL
Raman Maroo	5	YES	1	1	NIL
Atul Maru	5	YES	NIL	1	1
Hiren Gada	5	YES	NIL	NIL	2
Jai Maroo	5	YES	NIL	NIL	1
Jayesh Parekh*	1	NO	NIL	NIL	NIL
Kirit Gala	5	YES	NIL	NIL	1
Gnanesh Gala	5	YES	1	1	1
Vasanji Mamanja	5	YES	NIL	1	2
Shashidhar Sinha	4	YES	1	NIL	2
Reeta Shah**	0	N.A	NIL	1	NIL

#Excludes directorship in Shemaroo Entertainment Limited and also excludes Alternate directorships, directorship in Private Limited Companies, Foreign Companies and Companies registered under Sec.8 of the Companies Act, 2013.

@ In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

\*Ceased to be a Director w.e.f. March 28, 2015.

\*\*Appointed as Director, w.e.f. March 28, 2015. No meetings were held during her tenure.

**Board Procedure:**

The Board meets at regular interval to discuss and decide on Company / business policies / strategies and review financial performance of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company.

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. In case of any exigency / emergency, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting.

All Board Meetings are governed by a structured agenda which is backed by comprehensive background information. The notice of Board meeting is given well in advance to all the Directors. The Agenda is circulated a week prior to the date of the meeting (except for the critical price sensitive information, which is circulated at the meeting). Where it is not practicable to attach any document to the agenda, it is tabled before the meeting.

The Agenda for the Board and Committee meetings includes detailed explanatory notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board.

Presentations are also made by the Chief Financial Officer & Non- Executive Director on the Company's plans, performance, operations and other matters on a periodic basis. The Board has complete access to any information within your Company which includes the information as specified in Annexure X to Clause 49 of the Listing Agreement.

The Company has an effective post Board Meeting follow up procedure. Important decisions taken at Board / Board Committee meetings are communicated promptly to the concerned departments / divisions. Action-taken report on decisions taken in a meeting / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Board Committee for noting.

**Board Support:**

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of Agenda and conveying of Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

**Familiarization programmes for Directors:**

All new Independent Directors inducted to the Board are introduced to the Company through documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company familiarizes Independent Directors with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, operations of the Company, etc.

The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director and the Chief Financial Officer provides a briefing on Company's current structure and performance of business. The CFO & MD also has a one-to-one discussion with the newly appointed Director.

Upon appointment, Directors receive a Letter of Appointment which inter alia explains the role, function, duties and responsibilities.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

The familiarization programme for Independent Directors is available on Company's website at [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

**Board Evaluation:**

Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013 mandates that the Board of Directors shall evaluate the effectiveness of the Board. The Nomination and Remuneration Committee of the Company lays down the

evaluation criteria for the performance of executive / non – executive / independent directors and the Committees. One of the key functions of the Board is to monitor and review the board evaluation framework.

During the year, the performance evaluation was carried out internally which included the evaluation of the Board, Committees of the Board and the Directors independently, including the Chairman of the Board. Each Board member was requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the assessment.

The evaluation process focused on various aspects such as experience & competencies, performance of specific duties & obligations, governance issues, attendance, contribution at the meetings and independent judgment.

The results of the evaluation were shared with the Board and based on the outcome of the evaluation, the Board and Committees have agreed on the plan to improve on the identified parameters.

**Separate Independent Directors' Meetings:**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel, as stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

During the year, a separate meeting of the Independent Directors was held on January 20, 2015 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

In addition to the formal meeting, interactions outside the Board Meetings also take place between the management and the Independent Directors.

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

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

## 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 Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

The provisions of Clause 49 of the Listing Agreement became applicable to the Company from October 01, 2014 i.e. from the date of listing of securities of the Company on the Stock Exchanges.

The Audit Committee met three (3) times during the year under review. The Committee Meetings were held on the following dates – May 29, 2014, November 11, 2014 and January 20, 2015.

The Composition and attendance at the Meetings was as under:

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

### ii. General

The representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. Executives of Accounts Department and Finance Department attend Audit Committee Meetings.

The Company Secretary & Compliance Officer of the Company act 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:

- 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 Companies Act, 2013;
  - (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:
  - (a) The Management, Discussion and Analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the audit committee) submitted by the management;
  - (c) Management Letters / Letters of internal control weaknesses issued by statutory auditors;
  - (d) Internal audit reports relating to internal control weaknesses; and
  - (e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to the review by the Audit Committee.

## B. 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 Relation Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

### i. Composition and Attendance at the Meeting

The Stakeholders Relationship Committee comprises of the members as stated below. The Committee met two (2) times during the year under review. The Committee Meetings were held on the following dates – October 17, 2014, January 20, 2015. The attendance at the Meetings was as under:

Sr.	Name of the Member	Designation	Category	No. of meetings	
				Held	Attended
1.	Mr. Jayesh Parekh*	Chairman	Independent Director	2	2
2.	CA Reeta Shah**	Chairman	Independent Director	N.A	N.A
3.	Mr. Shashidhar Sinha	Member	Independent Director	2	2
4.	Mr. Atul Maru	Member	Executive Director	2	2

\*Ceased to be Chairman of the Committee w.e.f March 28, 2015.

\*\*Appointed as Chairman of the Committee w.e.f March 28, 2015.

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

1. 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.

2. Approve requests for security transfers and transmission and those pertaining to re-materialisation of securities / sub-division/ consolidation/ of shares, issue of renewed and duplicate share / debenture certificates etc.
3. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment.

iii. **Compliance Officer:**

Mr. Ankit Singh, Company Secretary and Compliance Officer, is the Compliance Officer for resolution of Shareholder's/ Investor's complaints.

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	NIL
Non – receipt of Dividend Warrants	NIL
Non – receipt of Shares lodged for Transfer	NIL
Non – receipt of IPO application money	2036
<b>TOTAL</b>	<b>2036</b>

As on March 31, 2015, no complaints were outstanding.

**C. Nomination and Remuneration Committee**

i. **Composition and Attendance at the Meeting**

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement as amended from time to time.

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2015 met once on January 20, 2015. The attendance of the members was as under:-

Sr. No	Name of the Member	Designation	Category	No. of meetings	
				Held	Attended
1	Mr. Vasanji Mamania	Chairman	Independent Director	1	1
2	Mr. Shashidhar Sinha	Member	Independent Director	1	0
3	Mr. Jai Maroo	Member	Non-Executive Director	1	1

ii. **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.
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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.
5. 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.

iii. **Nomination & Remuneration Policy**

In line with the principles of transparency and consistency, the Company has adopted a Nomination and Remuneration Policy which has been approved by the Board of the Company at its Meeting held on January 20, 2015, based on the recommendations made by the Nomination and Remuneration Committee. The Board has also adopted Board Diversity Policy pursuant to the Clause 49 (IV) (B) (3) of the Listing Agreement.



- **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

- **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.

#### iv. Details of Remuneration

The details of remuneration paid to Executive Directors and Non-Executive Directors for the Financial Year ended March 31, 2015 is provided hereinafter:

##### A. Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2015:

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	TOTAL
Raman Maroo	41.62	Nil	Nil	0.57	42.19
Atul Maru	41.62	Nil	Nil	0.57	42.19
Hiren Gada	31.62	Nil	Nil	0.57	32.19

##### B. Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2015:

Name	Sitting Fees for attending Board Meeting
Buddhichand Maroo	₹20,000
Jai Maroo	₹20,000
Vasanji Mamania	₹20,000
Gnanesh Gala *	Nil
Kirit Gala*	Nil
Jayesh Parekh^	₹20,000
Shashidhar Sinha	Nil
CA Reeta Shah #	Nil
<b>TOTAL</b>	<b>₹80,000</b>

Note: 1. The Board of Directors in its meeting had decided to initiate payment of sitting fees to the directors for attending the meetings of the Boards only post listing of the equity shares of the company.

2. No commission was paid to the Non-Executive Directors during the financial year March 31, 2015.

\* 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.

^Ceased to be Director w.e.f. March 28, 2015.

# Appointed w.e.f. March 28, 2015 and no meeting was held after her appointment during the period under the review.

v. **Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2015:**

<i>Name of the Director(s)</i>	<i>Shares Held (No.)</i>
Mr. Buddhichand Maroo	3575320
Mr. Jai Maroo	1234200
Mr. VasANJI Mamania	50636

**D. Corporate Social Responsibility Committee**

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The CSR Committee comprises of the members as stated below. The Committee during the year ended March 31, 2015 met twice on November 11, 2014 and January 20, 2015.

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

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. Other Functional Committees**

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.

**(i) Initial Public Offer (IPO) Committee**

IPO committee was constituted to overview the progress of Initial Public Offer of the Company and to approve the necessary documents including Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP), Prospectus etc. and comprised of four Directors of the Company. Post successful completion of the IPO of the company and listing of the equity shares of the company w.e.f. October 01, 2014 on the Stock Exchanges, the said Committee was dissolved by the Board of Directors.

**(ii) Executive Committee**

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

**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. GENERAL BODY MEETINGS

##### a) Annual General Meetings

During the preceding three years, the Company's Annual General Meetings were held at Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai – 400059.

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Financial Year	Date	Time	Particulars of the Special Resolution
2013-2014	August 05, 2014	11:00 AM	No Special Resolution was passed in the meeting
2012-2013	September 27, 2013	11:00 AM	No Special Resolution was passed in the meeting
2011-2012	September 28, 2012	11:00 AM	No Special Resolution was passed in the meeting

##### b) Extra-ordinary General Meeting

The Company's Extra-ordinary General Meetings was held at Shemaroo House, Plot No. 18, Marol Co-op Indl. Estate, Off Andheri Kurla Road, Andheri (E), Mumbai – 400059.

Financial Year	Date	Time	No. of Special Resolution
2014-15	May 26, 2014	11:00 AM	- Borrowing limits of the Company u/s 180(1)(c) and 180(2) of the Companies Act, 2013 - Creating charge, mortgage on properties of the Company u/s 180(1)(a) of the Companies Act, 2013 - Adoption of new Articles of Association of the Company

##### c) 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.

#### 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: [http://www.shemarooent.com/doc/COC/Policy\\_for\\_material\\_subsidaries.pdf](http://www.shemarooent.com/doc/COC/Policy_for_material_subsidaries.pdf)

#### 6. Disclosures

##### i. Related Party Transactions (RPTs):

Your Company enters into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 in its ordinary course of business. All the RPTs are undertaken in compliance with the provisions set out in Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs which is placed on the website of the Company at the following link: [http://www.shemarooent.com/doc/COC/Related\\_Party\\_Transctions.pdf](http://www.shemarooent.com/doc/COC/Related_Party_Transctions.pdf)

During the financial year ended March 31, 2015, all transactions entered into with related parties were in the ordinary course of business and on an arm's length. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Further, these transactions are also placed in the Audit Committee Meeting(s).

During the financial year ended March 31, 2015, there were no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Clause 49 of the Listing Agreement.

The Company's major related party transactions are generally with its subsidiaries and associates. None of the transactions with any of related parties were in conflict with the Company's interest

**ii. Statutory Compliance, Penalties and Structures:**

There were no non-compliances by the Company and no instances of penalties and strictures 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.

**iii. Accounting Treatment:**

The Company follows Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and has not adopted a treatment different from that prescribed in any Accounting Standard.

**iv. CEO/CFO Certification:**

The Managing Director (MD) and Chief Financial Officer (CFO) have certified to the Board with regard to the compliance made by them in terms of Clause 49 (IX) of the Listing Agreement and certificate forms part of Annual Report.

**v. Compliance of non-mandatory requirements:**

Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to the Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

- The statutory financial statements of the Company are unqualified.
- Mr. Buddhichand Maroo is the Chairman of the Company and Mr. Raman Maroo is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.
- The Internal Auditors of the Company make presentations to the Audit Committee on their reports.

**vi. 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 and the compliance of the same

is affirmed by the Board and Senior Management Personnel annually. 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 [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct). All Board members and senior management personnel affirm compliances with the Code of Conduct annually. A declaration signed by the Managing Director (MD) to this effect is placed at the end of this report.

**vii. Code of Conduct for Prevention of Insider Trading:**

The Company had instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its Designated Employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time (the "old Regulations"). The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

The Securities and Exchange Board of India (SEBI) on January 15, 2015 notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "new Regulations") which have come into force from May 15, 2015, thereby revamping the two-decade old Regulations. In accordance with the provisions of the new Regulations, the Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and Code of Conduct for Prevention of Insider Trading Regulation at the Board Meeting held on May 06, 2015. These Codes were also made effective from May 15, 2015.

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 new 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 [http://www.shemarooent.com/?p=Code\\_of\\_Conduct](http://www.shemarooent.com/?p=Code_of_Conduct).

**viii. Reconciliation of share capital audit:**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an practicing Company Secretary with a view to reconcile the total share

capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The share capital audit report is submitted to BSE Limited and the National Stock Exchange of India Limited and same is also placed before Stakeholders' Relationship Committee and the Board of Directors.

**ix. Whistle Blower Policy:**

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report about the unethical behavior, fraud, violations of applicable laws and regulations and the Code of Conduct. This mechanism provides for adequate safeguards against victimization of persons who use such mechanism. 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.

**x. Compliance with Clause 5A of the Listing Agreement:**

In accordance with the requirement of Clause 5A of the Listing Agreement entered with the Stock Exchanges, the Company reports that there are no outstanding unclaimed shares for the period April 01, 2014 to March 31, 2015.

**7. Means of Communication:**

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies / analysts and are published within forty-eight hours in the dailies viz. Financial Express (English) and Mumbai Lakshmi (Marathi) which have wide readership in Mumbai. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's and NSE's on-line portal.

The Annual Report and Financial results are also displayed on the Company's Website: <http://www.shemarooent.com>

**8. General Shareholder Information:**

**a. Annual General Meeting:**

Day & Date	:	Monday, September 21, 2015
Time	:	3:00 P.M.
Venue	:	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai - 400 020

Book Closure Date	:	September 15, 2015 – September 21, 2015.
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Last Date of receipt of Proxy Forms	:	Saturday, September 19, 2015 before 3 p.m
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As required under Clause 49(VIII) (E) of the Listing Agreement, particulars of Directors seeking appointment / re-appointment at the forthcoming AGM are given in the annexure to the Notice of the AGM to be held on September 21, 2015.

**b. Financial Calendar (Tentative):**

The Company follows the period of April 01 to March 31, as the Financial Year.

First quarterly results	:	July, 2015
Second quarterly / half yearly results	:	October, 2015
Third quarterly results	:	January, 2016
Fourth quarterly results	:	May, 2016
Annual general meeting	:	August, 2016



**c. Dividend Payment Date:**

The Board of Directors at their meeting held on May 06, 2015, recommended a Final Dividend of ₹1.20 per equity share of face value of ₹10/- each, for the financial year ended March 31, 2015. Final Dividend, if approved by Members, will be paid on or after September 21, 2015 (within the statutory time limit of 30 days)

**d. Listing on Stock Exchange:**

Name of Stock Exchange	Stock Code
BSE Limited (BSE)	538685
National Stock Exchange of India Limited (NSE)	SHEMAROO

The listing fee for the financial year 2015-16 has been paid to the above Stock Exchanges.

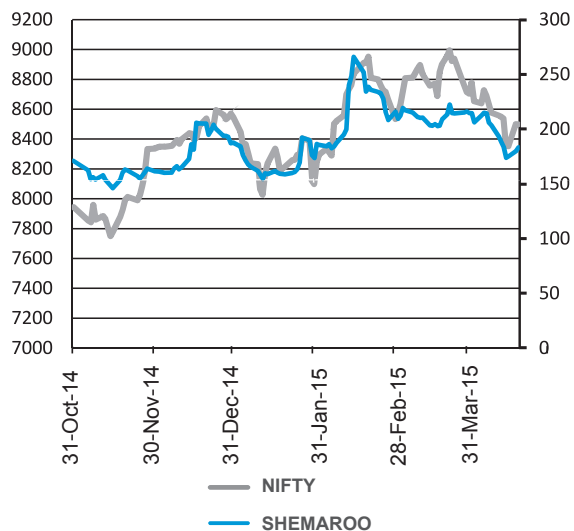
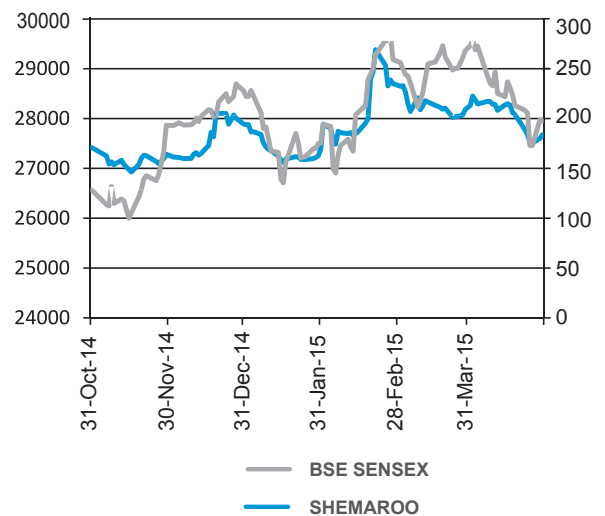
**e. ISIN Number** : INE363M01019

**f. Corporate Identity Number** : L67190MH2005PLC158288

**g. Market Price Data:**

The high / low market price of the shares during the year 2014-15 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High(₹)	Low(₹)	Volume (No. of Shares)
Oct, 2014	181	145	1453436	182	144	3318850
Nov, 2014	214	158.90	1305319	217	159.05	3489670
Dec, 2014	205	145.65	359496	203.90	145	706901
Jan, 2015	295	162.50	2277619	293	162.05	5332218
Feb, 2015	243.35	190.15	342286	243.60	188.25	883007
Mar, 2015	235	170	302553	233.90	170.50	1067659

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

**i. Share Transfer System:**

The share transfer function is carried out by the Registrars and Transfer Agents. Share transfers in physical form can be lodged at their office.

We have a Board-level Stakeholders' Relationship Committee to examine and redress shareholders' and investors' complaints. The status of complaints and share transfers is reported to the entire Board. For shares transferred in physical form, the Company provides adequate notice to the seller before registering the transfer of shares. The Stakeholders Relationship Committee of the Company will meet as often as required to approve share transfers.

**j. Distribution of Shareholding:**

The shareholding distribution of the equity shares as on March 31, 2015 is given below:-

No. of Shares	No. of Shareholders	No. of Shares	% to Total
1-5000	7915	1172831	4.31
5001-10000	32	249428	0.92
10001-20000	13	186837	0.69
20001-30000	8	197101	0.73
30001-40000	6	210840	0.78
40001-50000	5	241040	0.89
50001-100000	17	1057153	3.89
100001 and above	23	23867009	87.80
<b>Total</b>	<b>8019</b>	<b>27182239</b>	<b>100</b>

**k. Shareholding Pattern:**

The shareholding of different categories of the shareholders as on March 31, 2015 is given below:-

Category	No. of shares	% of Holdings
Promoters	16069080	59.1161
Foreign Promoter	1822840	6.7060
Foreign Portfolio Investor (Corporate)	274000	1.0080
Financial Institutions	5700	0.0210
Foreign Institutional Investor	2607524	9.5927
Other Bodies Corporate	1513991	5.5698
Mutual Fund	1853130	6.8174
Non -Nationalized Banks	2074	0.0076
Directors	50636	0.1863
Non -Resident Indians	273098	1.0047
Non -Resident (Non -Repatriable)	17065	0.0628
Clearing Member	85892	0.3160
Office Bearers	336400	1.2376
Public	2169545	7.9815
Trusts	101264	0.3725
<b>TOTAL</b>	<b>27182239</b>	<b>100.00</b>

**l. Dematerialization of shares:**

98.88% of the Company's paid-up Equity Share Capital was held in dematerialized form with NSDL and CDSL as on March 31, 2015. Trading in equity shares of the Company is permitted only in dematerialized form. The Company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

**m. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:**

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

**n. Address for Correspondence:**

All shareholders' correspondence should be forwarded to M/s. Link Intime 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.

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

**Link Intime India Pvt. Ltd.**

Unit: Shemaroo Entertainment Limited  
C-13, Pannalal Silk Mills Compound,  
Lal Bahadur Shastri Road,  
Bhandup West, Mumbai - 400078  
Tel No.:- 022-2594 6970/ 022-25963838  
E-mail Id: [www.linkintime.co.in](http://www.linkintime.co.in)

**Compliance Officer**

Mr. Ankit Singh  
Shemaroo House, Plot No. 18  
Marol Co-op. Industrial Estate  
Marol, Andheri (East)  
Mumbai – 400059.  
E-mailId: **compliance.officer@shemaroo.com**

**o. Nomination Facility:**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members 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.

**CERTIFICATE UNDER CLAUSE 49 OF THE LISTING AGREEMENT****Managing Director / Chief Financial Officer Certification**

To,  
**The Board of Directors**  
**Shemaroo Entertainment Limited**

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 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.

Raman Maroo  
(DIN: 00169152)  
Managing Director

Hiren Gada  
(DIN: 01108194)  
Whole Time Director & CFO

*Mumbai*  
*May 06, 2015*

**DECLARATION PURSUANT TO CLAUSE 49(II)(E) OF THE LISTING AGREEMENT**

In accordance with Clause 49(II) (E) of the Listing Agreement with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year ended March 31, 2015.

Raman Maroo  
(DIN: 00169152)  
Managing Director

Hiren Gada  
(DIN: 01108194)  
Whole Time Director & CFO

*Mumbai*  
*May 06, 2015*

## CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49(XI)(A) OF THE LISTING AGREEMENT

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 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 Clause

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 conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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 : July 30, 2015**

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

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration 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** (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 March 31, 2015 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 31<sup>st</sup> March 2015 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 and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October, 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**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the company during the audit period**);
- (vi) As informed and certified by the management, the provisions of the following acts, rules and regulations made thereunder are specifically applicable to the Company based on their sector/industry:-
  - (a) Cinematograph Act, 1952; and
  - (b) Copyright Act, 1957.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (**not applicable as Secretarial Standards were not notified during the audit period**);
- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai;

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the



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

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

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

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

**We further report that** during the audit period, the Company had:

1. offered for public subscription 73,33,335 Equity Shares of the face value of ₹10/- each for cash at a price of ₹170/- per Equity Share (including a premium of ₹160/- per share) aggregating to ₹120 crores vide Prospectus dated September 24, 2014. A discount of 10% to the issue price i.e., ₹17/- per Equity Share was offered to the retail individual bidders in the above said public offer; while, in the Prospectus dated September 24, 2014 filed with Securities & Exchange Board of India and Registrar of

Companies, Mumbai, the number of equity shares issued for public subscription has been mentioned as 73,33,332 however actual equity shares allotted is 73,33,335. As informed to us the above difference of 3 equity shares is owing to rounding off at the time of finalising the basis of allotment;

2. passed special resolution under section 180(1)(c) at the Extra-ordinary General Meeting held on May 26, 2014 enabling borrow of funds in excess of its aggregate of paid up share capital and free reserves and up to a maximum limit of ₹500 crores; and
3. passed special resolution under section 180(1)(a) at the Extra-ordinary General Meeting held on May 26, 2014 for creation of mortgage / charge on the properties of the company up to the overall borrowing limit of ₹500 crores.

For **Manish Ghia & Associates**  
*Company Secretaries*

**Manish L. Ghia**  
*Partner*

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

*Date: July 30, 2015*

*Place : Mumbai*

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.

## 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**

*Date: July 30, 2015*  
*Place : Mumbai*

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

#### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Shemaroo Entertainment Limited ('the Company'), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with

- Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) 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 financial statements – Refer Note 2.37 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**K. J. Dandekar**  
Partner  
Chartered Accountants  
Membership No. 018533

Mumbai  
Dated: 6<sup>th</sup> May, 2015

## Annexure to Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (ii) (a) As explained to us, inventories have been physically verified during the period by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on such physical verification as compared to the book records.
- (iii) The Company has granted interest free loan to its wholly owned subsidiaries which are covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').  
  
The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(a) and (b) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest amount.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, inventory and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) At the beginning of Financial Year the Company had deposits from the Public in respect of which the Company has complied the provisions of section 73 to 76 and the relevant provisions of The Companies Act, 2013 and rules framed there under. However, these deposits have been completely repaid during the financial year and hence as at the end of the year the Company does not have any deposits within the meaning of the above mentioned sections and rules framed there under.

(vi) The Central Government of India has not prescribed the maintenance of cost accounting records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of sales tax, service tax, value added tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of Dues	Amount (in ₹)	Period to Which the amount relates	Forum where dispute is pending
Income Tax, Act	Income Tax	1,077,790	FY 2011-12	Com.of I.T.(A)

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof is prejudicial to the interest of the company.

(xi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(xii) 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, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the management.

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

**K. J. Dandeker**  
Partner  
Chartered Accountants  
Membership No. 018533

Mumbai  
Dated: 6<sup>th</sup> May, 2015



# Balance Sheet

as at 31st March, 2015

(₹ in lacs)

Particulars	Note	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	2,718.22	1,984.89
(b) Reserves and Surplus	2.2	29,395.79	15,760.38
		<b>32,114.02</b>	<b>17,745.27</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	32.15	1,008.86
(b) Deferred tax liability (Net)	2.4	682.61	847.90
(c) Long term provisions	2.5	54.00	62.21
		<b>768.76</b>	<b>1,918.97</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.6	10,540.84	14,114.53
(b) Trade payables	2.7	1,744.08	2,975.22
(c) Other current liabilities	2.8	3,374.78	3,667.37
(d) Short-term provisions	2.9	766.14	892.15
		<b>16,425.85</b>	<b>21,649.27</b>
<b>Total</b>		<b>49,308.63</b>	<b>41,313.51</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) <i>Fixed assets</i>	2.10		
(i) Tangible assets		2,870.00	3,317.94
(ii) Intangible assets		79.99	92.74
(b) Non-current investments	2.11	2,002.35	1,202.35
(c) Long term loans and advances	2.12	713.22	611.18
(d) Other non-current assets	2.13	4.50	4.50
		<b>5,670.05</b>	<b>5,228.71</b>
<b>(2) Current assets</b>			
(a) Inventories	2.14	28,788.51	19,801.10
(b) Trade receivables	2.15	12,700.92	13,988.17
(c) Cash and cash equivalents	2.16	233.94	59.49
(d) Short-term loans and advances	2.17	1,915.20	2,019.39
(e) Other current assets	2.18	-	216.63
		<b>43,638.58</b>	<b>36,084.79</b>
<b>Total</b>		<b>49,308.63</b>	<b>41,313.51</b>
<b>Significant Accounting Policies Notes to the Financial Statements</b>	1 & 2		

As per our report of even date

For and on behalf of the Board

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

**Raman Maroo**  
Managing Director  
DIN: 00169152

**Atul Maru**  
Jt. Managing Director  
DIN: 00169264

**K.J. Dandekar**  
Partner  
Membership No.: 18533

**Ankit Singh**  
Company Secretary & Compliance Officer  
Membership No. : A24463

**Hiren Gada**  
Whole Time Director & CFO  
DIN: 01108194

Place : Mumbai  
Date: 6th May, 2015

Place : Mumbai  
Date : 6th May, 2015

## Statement of Profit and Loss

for the year ended 31st March, 2015

Particulars	Note	(₹ in lacs)	
		For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations	2.19	32,344.77	26,333.70
Other Income	2.20	125.71	73.32
<b>I. Total Revenue</b>		<b>32,470.48</b>	<b>26,407.02</b>
<b>EXPENDITURE</b>			
Direct Operational Expenses	2.21	29,271.63	21,858.02
Changes in inventories	2.22	(8,987.41)	(5,154.36)
Employee benefit expense	2.23	1,791.96	1,794.01
Financial costs	2.24	2,120.72	1,922.80
Depreciation and amortization expense	2.10	367.47	296.27
Other expenses	2.25	1,503.49	1,260.77
<b>II. Total Expenses</b>		<b>26,067.85</b>	<b>21,977.51</b>
<b>Profit before tax</b>	(I - II)	<b>6,402.63</b>	<b>4,429.51</b>
<b>Tax expense:</b>			
(1) Current tax			
- Income Tax		2,359.25	1,293.25
- Wealth Tax		0.52	0.89
(2) Deferred tax	2.4	(165.29)	340.34
(3) Tax in respect of earlier years		27.33	10.95
<b>Profit after tax for the year</b>		<b>4,180.81</b>	<b>2,784.08</b>
<b>Earnings per equity share (Nominal value of ₹ 10 each) :</b>			
Basic and Diluted (in ₹)	2.1	17.73	14.03
<b>Significant Accounting Policies Notes to the Financial Statements</b>	1 & 2		

As per our report of even date

For and on behalf of the Board

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

**Raman Maroo**  
Managing Director  
DIN: 00169152

**Atul Maru**  
Jt. Managing Director  
DIN: 00169264

**K.J. Dandekar**  
Partner  
Membership No.: 18533

**Ankit Singh**  
Company Secretary & Compliance Officer  
Membership No. : A24463

**Hiren Gada**  
Whole Time Director & CFO  
DIN: 01108194

Place : Mumbai  
Date: 6th May, 2015

Place : Mumbai  
Date : 6th May, 2015

## Cash Flow Statement

for the year ended 31st March, 2015

Particulars	(₹ in lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax	6,402.63	4,429.51
<b>Adjustments to reconcile profit before tax to cash provided by operating activities:</b>		
Depreciation & Amortisation expense	367.47	296.27
Financial Expenses	2,120.72	1,922.80
Interest Income	(103.30)	(65.47)
Dividend Income	(13.77)	(0.90)
(Profit) / Loss on sale of Fixed Assets	22.75	0.08
Unrealised Foreign Exchange (Gain)/Loss	28.57	(22.34)
Provision for Leave Encashment	(9.31)	18.23
Provision for Gratuity	2.28	11.85
Liabilities no longer required written back	(4.75)	(2.46)
Bad Debts written off	6.52	2.30
<b>Operating Profit Before Working Capital Changes</b>	<b>8,819.79</b>	<b>6,589.87</b>
<b>Adjustments for changes in Working Capital</b>		
Trade & Other Receivables	1,670.28	(6,237.12)
Inventories	(8,987.41)	(5,154.36)
Increase/(Decrease) in Trade & Other Payables	<b>(1,734.30)</b>	<b>3,895.52</b>
<b>Cash Generated from Operations</b>	<b>(231.64)</b>	<b>(906.09)</b>
Taxes (Paid) / Refund (Net)	(2,740.72)	(847.00)
<b>Cash Flow from Operating Activities</b>	<b>(2,972.36)</b>	<b>(1,753.09)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of fixed assets	11.72	0.34
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(221.63)	(188.77)
Dividend Income	13.77	0.90
Interest Income	103.30	65.47
Investments made in bank shares	-	(3.00)
Investment in Mutual Funds	(800.00)	-
Loans given to subsidiaries	(33.77)	(161.78)
<b>Cash flow from Investing Activities</b>	<b>(926.61)</b>	<b>(286.84)</b>

Particulars	(₹ in lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net Proceeds from Issuance of Share Capital	10,860.65	-
Increase / (Decrease) of Long term Borrowings	(976.71)	984.63
Increase / (Decrease) of Short term Borrowings	(3,573.69)	3,122.95
Dividend Paid	(99.24)	(99.24)
Tax on Dividend Paid	(16.87)	(16.87)
Financial Expenses	(2,120.72)	(1,922.80)
Unamortised Expenses paid towards Fund Raising	-	(69.95)
<b>Cash flow from Financing activities</b>	<b>4,073.42</b>	<b>1,998.73</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>174.45</b>	<b>(41.19)</b>
Cash & Cash Equivalents at the beginning (Refer Note 2.16)	<b>59.49</b>	<b>100.68</b>
Cash and Cash Equivalents acquired as per the Scheme of Amalgamation and Arrangement		
Cash & Cash Equivalents at the End (Refer Note 2.16)	<b>233.94</b>	<b>59.49</b>

As per our report of even date

For and on behalf of the Board

**For M. K. Dandekar & Co.**Chartered Accountants  
ICAI FRN: 000679S**Raman Maroo**Managing Director  
DIN: 00169152**Atul Maru**Jt. Managing Director  
DIN: 00169264**K.J. Dandekar**Partner  
Membership No.: 18533**Ankit Singh**Company Secretary & Compliance Officer  
Membership No. : A24463**Hiren Gada**Whole Time Director & CFO  
DIN: 01108194Place : Mumbai  
Date: 6th May, 2015Place : Mumbai  
Date : 6th May, 2015

## 1 Significant Accounting Policies

### a. Basis of preparation

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

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

### b. Use of estimates

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

### c. Tangible fixed assets

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

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

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

### d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is lower. Depreciation for assets purchased/sold during a period is

proportionately charged. Fixed assets individually costing ₹ 5,000 or less are fully depreciated in the year of acquisition. The Company has estimated the useful lives for the fixed assets as follows :

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

### e. Intangible assets

Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

Computer Software	5 years
-------------------	---------

### f. Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur except Bill Discounting charges which are being carried forward on time proportion basis.

### g. Impairment of assets

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

### h. Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly



attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

#### **i. Inventories**

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

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

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

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

#### **j. Revenue Recognition**

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

##### **Sale of goods**

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

##### **Sale of rights**

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

##### **Income from services**

Revenues from services are recognized when contractual commitments are delivered in full net of returns, trade

discounts and rebates. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

##### **Interest**

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

##### **Dividends**

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

##### **Others**

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

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

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

#### **k. Purchase of rights**

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

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

#### **l. Cash and cash equivalents**

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

#### **m. Foreign currency translation**

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

#### **n. Retirement and other employee benefits**

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

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

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability as on March 31, 2015.

**o. Income tax**

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

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

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

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

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

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

**p. Earnings per share**

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

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

**q. Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**r. Contingent Liabilities and Contingent Assets**

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

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

**s. Unamortised Expenses - Share Issue Expenses**

The "Unamortised Expenses - Share Issue Expenses" includes various expenditure incurred by the Company towards fund raising through public issue of equity shares of the Company (IPO). The said amount has been written-off against the balance appearing in Securities Premium account.

## Notes

(₹ in lacs), except as otherwise stated

### Note 2.1

#### Share Capital

##### Authorised Share Capital:

Equity shares, ₹ 10/- par value

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

##### Issued, Subscribed and Paid - up

Equity shares, ₹ 10/- par value

2,71,82,239 (Previous Year 1,98,48,904) Equity Shares fully paid up.

#### Total

	As at March 31, 2015	As at March 31, 2014
	3,000.00	3,000.00
	2,718.22	1,984.89
<b>Total</b>	<b>2,718.22</b>	<b>1,984.89</b>

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

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	19,848,904	1,984.89	19,848,904	1,984.89
Shares Issued during the year	7,333,335	733.33	-	-
<b>Shares outstanding at the end of the year</b>	<b>27,182,239</b>	<b>2,718.22</b>	<b>19,848,904</b>	<b>1,984.89</b>

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

Name of Shareholder	Equity Shares			
	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Maroo	48,09,520	17.69%	48,09,520	24.23%
Mr. Atul Maru	48,09,520	17.69%	48,09,520	24.23%
Mr. Buddhichand Maroo	35,75,320	13.15%	35,75,320	18.01%
Technology And Media Group Pte. Ltd.	18,22,840	6.71%	18,22,840	9.18%
Mr. Hiren Gada	16,40,520	6.04%	16,40,520	8.27%
Mr. Jai Maroo	-	-	12,34,200	6.22%
Copthall Mauritius Investment Limited	23,40,000	8.61%	-	-
<b>Total Shareholding</b>	<b>1,89,97,720</b>	<b>69.89%</b>	<b>1,78,91,920</b>	<b>90.14%</b>

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

- Aggregate number of shares allotted as fully paid-up pursuant to the contracts without payment being received in cash is NIL
- 1,48,86,678 equity shares were issued as bonus on August 29, 2011 in the ratio of 3:1 and 41,10,372 equity shares were issued as bonus on March 26, 2011 in the ratio of 9:1.
- Aggregate number of shares bought back is NIL

(₹ in lacs), except as otherwise stated

**Earnings Per Share (EPS)**

	As at March 31, 2015	As at March 31, 2014
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs)	4,180.81	2,784.08
Weighted Average number of equity shares used as denominator for calculating EPS	23,585,891	19,848,904
Basic and Diluted Earnings per share (Previous Year)	17.73	14.03
Face Value per equity share	10.00	10.00

**Note 2.2****Reserves & Surplus****a. Securities Premium Account**

As per last Balance Sheet

4,213.50

4,213.50

Add : Securities premium credited on Share issue

10,127.31

-

**14,340.81****4,213.50****b. General Reserve**

As per last Balance Sheet

1,869.72

1,800.11

Add: Transferred from surplus in Statement of Profit and Loss

104.52

69.60

**1,974.24****1,869.72****c. Surplus**

As per last Balance Sheet

9,677.16

7,078.79

(+ ) Profit for the year

4,180.81

2,784.08

(-) Depreciation adjustment

(280.12)

-

Amount available for Appropriation

13,577.85

9,862.87

Appropriations:

(-) Transfer to General reserve

(104.52)

(69.60)

(-) Proposed Dividend

(326.19)

(99.24)

(-) Tax on Proposed Dividend

(66.41)

(16.87)

**13,080.74****9,677.16****Total****29,395.79****15,760.38**

As on 01.04.2014, useful life of the all assets is calculated as per the useful life given in the schedule II of the Companies Act 2013 and WDV of those specified assets after retaining the residual value has been recognised / adjusted in the opening balance of retained earnings.

(₹ in lacs), except as otherwise stated

**Note 2.3****Long-term borrowings****(a) Term loans**

From banks

Secured

32.15

8.86

32.15

8.86

**(b) Film Financing**

Secured

-

1,000.00

-

1,000.00

**Total****32.15****1,008.86****Nature of Security and terms of repayment for Long Term secured borrowings:**

	<b>Nature of Security</b>	<b>Terms of Repayment</b>
i)	Term loans from bank amounting to ₹ 32.15 lacs (March 31, 2014: ₹ 8.86 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.	Repayable in equal monthly installments commencing as per repayment schedule of the bank.
ii)	Film Financing from bank amounting to ₹ NIL lacs (March 31, 2014: ₹ 1000 lacs) is secured by first charge on all tangible and intangible assets at present and future, all revenues and receivables of the specified film negatives and personal guarantee of two promoter directors.	Repayment to be made on or before the release of the specified film, but not later than 24 months from the date of first advance.

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

Related to Fixed Assets

427.58

545.90

Allowances under the Income Tax Act, 1961

255.03

302.00

**Total****682.61****847.90****Note 2.5****Long term provisions****Provision for Employee Benefits**

Provision for leave Encashment

54.00

62.21

**Total****54.00****62.21**



(₹ in lacs), except as otherwise stated

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

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

**(b) Bank Overdraft**

Unsecured

**(c) Loans and Advances (Unsecured)**

- Directors

- Inter Corporate Deposits

- Related Parties

- Others

**Total**

	As at March 31, 2015	As at March 31, 2014
	6,662.91	9,625.76
	2,111.65	1,138.57
	<u>2,111.65</u>	<u>1,138.57</u>
	1,034.28	375.45
	732.00	1,803.00
	-	15.75
	-	1,156.00
	<u>1,766.28</u>	<u>3,350.20</u>
	<b><u>10,540.84</u></b>	<b><u>14,114.53</u></b>

**Note 2.7****Trade payables****Trade Payables**

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

**Total**

	As at March 31, 2015	As at March 31, 2014
	1,744.08	2,975.22
	<b><u>1,744.08</u></b>	<b><u>2,975.22</u></b>

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

(Term loans secured by hypothecation of the motor vehicles)

**(b) Short Term Loan / Film Financing**

Secured

(Secured by lien on Third Party FMPs / Debt mutual funds, hypothecation of specified negative prints and intellectual property rights, book debts / film negatives, personal guarantee of Directors)

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

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

**Total**

	As at March 31, 2015	As at March 31, 2014
	26.32	15.37
	3,122.50	3,180.00
	45.91	38.48
	3.19	46.00
	176.86	387.53
	<b><u>3,374.78</u></b>	<b><u>3,667.37</u></b>

(₹ in lacs), except as otherwise stated

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

<b>Nature of Security</b>	<b>Terms of Repayment</b>
i) Term loans from bank amounting to ₹ 26.32 lacs (March 31, 2014: ₹ 15.37 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.	Repayable in equal monthly installments commencing as per repayment schedules of the banks.
ii) Short Term Loan / Film financing from bank amounting to ₹ 3122.50 lacs (March 31, 2014: ₹ 3180 Lacs ) is secured by lien on Third Party FMPs / Debt mutual funds, hypothecation of specified negative prints and intellectual property rights, book debts / film negatives, personal guarantee of Directors	Repayable at the end of 12 months from the date of first disbursal.

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

Provision for Group Gratuity	14.13	11.85
Provision for leave Encashment	2.61	3.72
Provision for E S I C	0.67	0.68
Provident Fund	10.07	5.89
Maharashtra Labour Welfare Fund	0.01	0.01
	27.50	22.16

**(b) Other Provisions**

Provision for tax (Net of Advance Tax)	345.53	752.99
Proposed Equity Dividend	326.19	99.24
Provision for Tax on Proposed Equity Dividend	66.41	16.87
Provision for Wealth Tax	0.52	0.89
	738.64	869.99

**Total**

766.14	892.15
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## Note 2.10: Fixed Assets

(` in lacs), except as otherwise stated

Particulars	Gross Block			Depreciation			Net Block	
	As on 01-Apr-2014	Additions	Deductions	As on 31-March-2015	For the year	Deductions	As on 31-March-2015	As on 31-March-2014
<b>Tangible Assets</b>								
Office Building*	981.96	-	-	981.96	15.99	-	174.00	807.96
Plant & Machinery	4,075.79	107.39	0.61	4,182.56	467.89	0.16	2,377.39	1,805.17
Furniture & Fixtures	414.96	0.84	-	415.80	74.25	-	306.76	109.04
Motor Vehicle	278.61	79.33	108.84	249.10	42.90	74.82	101.28	147.82
<b>Total Tangible Assets (A)</b>	<b>5,751.31</b>	<b>187.56</b>	<b>109.45</b>	<b>5,829.42</b>	<b>601.04</b>	<b>74.98</b>	<b>2,959.42</b>	<b>2,870.00</b>
<b>Intangible Assets</b>								
Software	228.17	34.07	-	262.23	46.82	-	182.25	79.99
<b>Total In-Tangible Assets (B)</b>	<b>228.17</b>	<b>34.07</b>	<b>-</b>	<b>262.23</b>	<b>46.82</b>	<b>-</b>	<b>182.25</b>	<b>92.74</b>
<b>Total Assets (A) + (B)</b>	<b>5,979.48</b>	<b>221.63</b>	<b>109.45</b>	<b>6,091.65</b>	<b>647.86</b>	<b>74.98</b>	<b>3,141.67</b>	<b>3,410.69</b>
<b>Previous Year</b>								
Tangible Assets	5,591.50	160.34	0.53	5,751.32	267.18	0.10	2,433.37	3,317.94
Intangible Assets	186.55	41.62	-	228.17	29.09	-	135.42	92.74
<b>Total Assets (Previous Year)</b>	<b>5,778.05</b>	<b>201.96</b>	<b>0.53</b>	<b>5,979.48</b>	<b>296.27</b>	<b>0.10</b>	<b>2,568.80</b>	<b>3,410.69</b>
<b>Intangible assets under development</b>								
Software								-

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

The Company has reviewed the useful life of the fixed assets based on schedule II of the Companies Act 2013. Consequently depreciation for the year is higher by ₹ 57.65 lacs and profit before tax so is lesser by ₹ 57.65 lacs

(₹ in lacs), except as otherwise stated

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

i) Shemaroo Entertainment INC, USA  
200 (Previous Year: 200) Equity shares of no par value

4.08 4.08

ii) Shemaroo Entertainment (UK) Private Ltd.  
3600 (Previous Year: 3600 ) Equity shares of GBP 10/- each fully paid-up

26.88 26.88

iii) Shemaroo Films Private Limited  
1000000 (Previous Year: 1000000) Equity shares of ₹ 10/- each fully paid-up

100.00 100.00

**- Investment in Associate Company**

Vistaas Digital Media Private Limited  
45000 (Previous Year: 45000) Equity shares of ₹ 10/- each fully paid-up  
40000 (Previous Year: 40000) Equity shares of ₹ 10/- each, fully paid-up

1,061.39 1,061.39

**Quoted equity instruments  
- Investment in Mutual Fund Units  
Name**

**No of Units Price per unit (Market Value) Total**

HDFC Floating Rate Income Fund 7,935,799.383 10.0809 80,000,000

800.00 -

1,992.35 1,192.35

**(b) Other Investments (valued at cost)**

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

5.00 5.00

ii) 20,000 (Previous Year 20,000) Equity shares of ₹ 25/- each fully paid-up of The Shamrao Vithal Co-op. Bank Ltd.

5.00 5.00

10.00 10.00

2,002.35 1,202.35

2,002.35 1,202.35

**Total****Aggregate amount of investments**

(₹ in lacs), except as otherwise stated

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

Unsecured Considered Good

110.68

78.76

110.68

78.76

**(b) Other loans and advances**

Loans to employees

2.89

1.86

Loans to Others

599.65

526.64

Prepaid Expenses

-

3.91

602.54

532.42

**Total****713.22****611.18****Note 2.13****Other non-current assets****Non-Current bank balances**

In Fixed Deposit (Maturity more than 12 months)

4.50

4.50

**Total****4.50****4.50****Note 2.14****Inventories**

(a) Copyrights

28,407.83

19,392.65

(b) Movies under Production

207.92

222.96

(c) DVDs, VCDs &amp; ACDs

172.77

185.49

**Total****28,788.51****19,801.10****Note 2.15****Trade receivables - Current**

Unsecured, Considered good unless otherwise stated

a) More than six months

661.06

644.37

Unsecured, considered good

b) Other receivables

12,039.86

13,343.80

Unsecured, considered good

**Total****12,700.92****13,988.17**

	As at March 31, 2015	As at March 31, 2014
	110.68	78.76
	110.68	78.76
	2.89	1.86
	599.65	526.64
	-	3.91
	602.54	532.42
<b>Total</b>	<b>713.22</b>	<b>611.18</b>

	As at March 31, 2015	As at March 31, 2014
	4.50	4.50
<b>Total</b>	<b>4.50</b>	<b>4.50</b>

	As at March 31, 2015	As at March 31, 2014
	28,407.83	19,392.65
	207.92	222.96
	172.77	185.49
<b>Total</b>	<b>28,788.51</b>	<b>19,801.10</b>

	As at March 31, 2015	As at March 31, 2014
	661.06	644.37
	12,039.86	13,343.80
<b>Total</b>	<b>12,700.92</b>	<b>13,988.17</b>

(₹ in lacs), except as otherwise stated

**Note 2.16****Cash and cash equivalents**

## (a) Balances with Bank

On Current Accounts

121.47 20.98

Deposit with original maturity of less than three months

- -

## (b) Cash on Hand

11.79 12.90

## (c) Other Balances with Bank

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

67.56 23.56

Deposit with maturity of more than 12 months

33.12 2.06

**Total****233.94 59.49****Note 2.17****Short-term loans and advances****(a) Loans and advances to related parties**

Unsecured Considered Good (refer note no. 2.27)

213.34 179.57

213.34 179.57

**(b) Other loans and advances**

Withholding and Other Taxes Receivable

166.06 161.36

Advances paid for Supply of Goods and Rendering of Services

1,208.39 1,488.00

Balance with Customs, Central Excise Authorities

241.28 106.91

Prepaid Expenses

62.99 60.10

Loans to employees

23.14 23.45

1,701.86 1,839.82

**Total****1,915.20 2,019.39****Note 2.18****Other current assets**

Unamortised Expenses - Proposed Share Issue Expenses

- 216.63

**Total****- 216.63**



(₹ in lacs), except as otherwise stated

**Note 2.19****Revenue from operations**

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

**Total**

Year ended 31st March, 2015	Year ended 31st March, 2014
30,618.52	24,297.89
878.38	1,224.24
693.37	664.10
154.50	147.47
<b>32,344.77</b>	<b>26,333.70</b>

**Note 2.20****Other Income**

- (a) Interest
- (b) Dividend
  - Others (Non-Trade Investments)
  - From Current Investments
  - Long Term Investments
- (c) Profit on Sale of Investments
- (d) Others

**Total**

Year ended 31st March, 2015	Year ended 31st March, 2014
103.30	65.47
12.93	-
0.84	0.90
0.77	-
7.87	6.95
<b>125.71</b>	<b>73.32</b>

**Note 2.21****Direct Operational Expenses**

- (a) Purchases
- (b) Works Cost

**Total**

Year ended 31st March, 2015	Year ended 31st March, 2014
27,540.33	20,856.76
1,731.30	1,001.26
<b>29,271.63</b>	<b>21,858.02</b>

**Note 2.22****Changes in inventories**

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

**Total**

Year ended 31st March, 2015	Year ended 31st March, 2014
28,788.51	19,801.10
19,801.10	14,646.74
<b>(8,987.41)</b>	<b>(5,154.36)</b>

**Note 2.23****Employee benefit expense**

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

**Total**

(₹ in lacs), except as otherwise stated

Year ended 31st March, 2015	Year ended 31st March, 2014
1,693.47	1,695.38
69.05	68.98
29.43	29.65
<b>1,791.96</b>	<b>1,794.01</b>

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

Borrowings	
<b>Other Borrowing Costs</b>	
Bank & Other Finance Charges	

**Total**

Year ended 31st March, 2015	Year ended 31st March, 2014
2,040.35	1,869.52
80.37	53.28
<b>2,120.72</b>	<b>1,922.80</b>

**Note 2.25****Other expenses**

Bad debts written off	
Business Development Expenses	
Communication Expenses	
Directors Fees	
Donations	
Electricity Expenses	
Foreign Exchange Fluctuation Loss (net)	
Interest on Government Dues	
General Expenses	
Insurance Charges	
Legal, Professional and Consultancy Fees	
Auditors Remuneration	
Rents, Rates and Taxes	
<b>Repairs and Maintenance</b>	
Repairs and maintenance - Machinery	
Repairs and maintenance - Others	
Security Charges	
Selling Expenses	
Travelling & Conveyance	
Loss on Sale of Fixed Assets	

**Total**

Year ended 31st March, 2015	Year ended 31st March, 2014
6.52	2.30
56.16	84.59
41.87	42.52
0.80	5.00
58.48	25.92
138.70	143.48
3.00	(60.91)
37.71	0.56
415.21	228.97
51.92	62.33
223.99	169.32
9.50	9.25
34.29	37.95
39.90	57.60
91.69	94.18
28.75	30.49
159.73	218.66
82.52	108.46
22.75	0.08
<b>1,503.49</b>	<b>1,260.77</b>

(₹ in lacs), except as otherwise stated

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

Shemaroo Entertainment INC, USA  
 Shemaroo Entertainment (UK) Private Ltd.  
 Shemaroo Films Private Limited

**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. Ankit Singh

**Relatives of Key Management Personnel:**

Mrs. Leelaben Maroo (wife of Mr. Buddhichand Maroo)  
 Mrs. Kastur Maroo (wife of Mr. Raman Maroo)  
 Mrs. Sangeeta Maru (wife of Mr. Atul Maru)  
 Mrs. Radhika Maroo (daughter of Mr. Raman Maroo)  
 Ms. Nirvi Maru (daughter of Mr. Atul Maru)  
 Ms. Urvi Maru (daughter of Mr. Atul Maru)  
 Mrs. Madhuri Gada (wife of Mr. Hiren Gada)  
 Mrs. Varsha Karani (wife of Mr. Vinod Karani)

**Entities having Common Control:**

Atul H. Maru (HUF)  
 Buddhichand H. Maroo (HUF)  
 Raman H. Maroo (HUF)  
 Shemaroo Corporation  
 Sneha Arts  
 Shemaroo Holdings Private Limited  
 Think Walnut Digital Private Limited  
 Technology and Media Group PTE. Ltd.  
 Taurean Estate Development LLP  
 Braj Holdings Pte. Ltd.

**Associate Company:**

Vistaas Digital Media Private Limited

**b Related party transactions**

Refer Note b.

(₹ in lacs), except as otherwise stated

Note b.

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

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014
	<b>Purchase of Goods &amp; Services</b>	309.64	-	-	-	-	-	214.88	162.90	121.25	83.28	645.78
Sneha Arts	-	-	-	-	-	-	27.85	58.89	-	-	27.85	58.89
Think Walnut Digital Private Limited	-	-	-	-	-	-	187.03	104.01	-	-	187.03	104.01
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	121.25	83.28	121.25	83.28
Shemaroo Films Private Limited	309.64	-	-	-	-	-	-	-	-	-	309.64	-
<b>Sale of Goods &amp; Services</b>	9.94	55.21	-	-	-	-	-	-	-	-	9.94	55.21
Shemaroo Entertainment (UK) Pvt. Ltd.	9.94	55.21	-	-	-	-	-	-	-	-	9.94	55.21
<b>Dividend</b>	-	-	82.03	82.03	-	-	9.11	9.11	-	-	91.14	91.14
Buddichand Maroo	-	-	17.88	17.88	-	-	-	-	-	-	17.88	17.88
Raman Maroo	-	-	24.05	24.05	-	-	-	-	-	-	24.05	24.05
Atul Maru	-	-	24.05	24.05	-	-	-	-	-	-	24.05	24.05
Jai Maroo	-	-	6.17	6.17	-	-	-	-	-	-	6.17	6.17
Hiren Gada	-	-	8.20	8.20	-	-	-	-	-	-	8.20	8.20
Vinod Karani	-	-	0.57	0.57	-	-	-	-	-	-	0.57	0.57
Hemant Karani	-	-	0.33	0.33	-	-	-	-	-	-	0.33	0.33
Bipin Dharod	-	-	0.21	0.21	-	-	-	-	-	-	0.21	0.21
Ketan Maru	-	-	0.41	0.41	-	-	-	-	-	-	0.41	0.41
Harakhchand Gada	-	-	0.16	0.16	-	-	-	-	-	-	0.16	0.16
Technology and Media Group PTE. Ltd.	-	-	-	-	-	-	9.11	9.11	-	-	9.11	9.11
<b>Salaries</b>	-	-	188.46	166.12	13.25	12.86	-	-	-	-	201.71	178.98
Bipin Dharod	-	-	18.51	18.12	-	-	-	-	-	-	18.51	18.12
Hemant Karani	-	-	24.52	24.03	-	-	-	-	-	-	24.52	24.03
Ketan Maroo	-	-	22.52	22.07	-	-	-	-	-	-	22.52	22.07
Harakhchand Gada	-	-	17.31	16.95	-	-	-	-	-	-	17.31	16.95
Vinod Karani	-	-	31.69	29.95	-	-	-	-	-	-	31.69	29.95
Smita Maroo	-	-	30.18	29.42	-	-	-	-	-	-	30.18	29.42
Mansi Maroo	-	-	4.63	4.48	-	-	-	-	-	-	4.63	4.48
Madhuri Gada	-	-	-	-	9.78	9.51	-	-	-	-	9.78	9.51
Nirvi Maru	-	-	-	-	3.48	3.35	-	-	-	-	3.48	3.35
Kranti Gada	-	-	23.02	7.47	-	-	-	-	-	-	23.02	7.47

(₹ in lacs), except as otherwise stated

Particulars	Subsidiaries As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014
	Ankit Singh	-	-	16.08	13.63	-	-	-	-	-	-	16.08
<b>Directors Sitting Fees</b>	-	-	<b>0.40</b>	<b>1.20</b>	-	-	-	-	-	-	<b>0.40</b>	<b>1.20</b>
Jai Maroo	-	-	0.20	0.40	-	-	-	-	-	-	0.20	0.40
Buddhichand Maroo	-	-	0.20	0.80	-	-	-	-	-	-	0.20	0.80
<b>Remuneration to Directors</b>	-	-	<b>116.57</b>	<b>116.35</b>	-	-	-	-	-	-	<b>116.57</b>	<b>116.35</b>
Raman Maroo	-	-	42.19	42.11	-	-	-	-	-	-	42.19	42.11
Atul Maru	-	-	42.19	42.11	-	-	-	-	-	-	42.19	42.11
Hiren Gada	-	-	32.19	32.12	-	-	-	-	-	-	32.19	32.12
<b>Interest Paid (on Loans)</b>	-	-	<b>130.94</b>	<b>57.72</b>	-	-	-	-	-	-	<b>130.94</b>	<b>57.72</b>
Raman Maroo	-	-	50.45	21.94	-	-	-	-	-	-	50.45	21.94
Atul Maru	-	-	62.60	18.01	-	-	-	-	-	-	62.60	18.01
Hiren Gada	-	-	1.36	0.63	-	-	-	-	-	-	1.36	0.63
Buddhichand Maroo	-	-	0.52	3.09	-	-	-	-	-	-	0.52	3.09
Jai Maroo	-	-	14.86	12.08	-	-	-	-	-	-	14.86	12.08
Smita Maroo	-	-	1.15	1.97	-	-	-	-	-	-	1.15	1.97
<b>Advances / Loans Given during the year</b>	<b>48.22</b>	<b>260.76</b>	-	-	-	-	-	-	-	-	<b>48.22</b>	<b>260.76</b>
Shemaroo Entertainment (UK) Pvt. Ltd.	43.82	147.47	-	-	-	-	-	-	-	-	43.82	147.47
Shemaroo Entertainment INC, USA	4.40	-	-	-	-	-	-	-	-	-	4.40	-
Shemaroo Films Private Limited	-	113.29	-	-	-	-	-	-	-	-	-	113.29
<b>Loans Taken during the year</b>	-	-	<b>1,114.98</b>	<b>304.97</b>	-	-	-	-	-	-	<b>1,114.98</b>	<b>304.97</b>
Atul Maru	-	-	744.90	124.21	-	-	-	-	-	-	744.90	124.21
Buddhichand Maroo	-	-	18.00	-	-	-	-	-	-	-	18.00	-
Jai Maroo	-	-	20.52	21.30	-	-	-	-	-	-	20.52	21.30
Raman Maroo	-	-	322.04	158.46	-	-	-	-	-	-	322.04	158.46
Hiren Gada	-	-	9.52	1.00	-	-	-	-	-	-	9.52	1.00
<b>Other Income</b>	-	-	-	-	<b>1.80</b>	<b>1.50</b>	<b>1.80</b>	<b>1.50</b>	-	-	<b>1.80</b>	<b>1.50</b>
Shemaroo Corporation	-	-	-	-	<b>1.80</b>	<b>1.50</b>	<b>1.80</b>	<b>1.50</b>	-	-	<b>1.80</b>	<b>1.50</b>
<b>Dues from Related Parties</b>	<b>236.58</b>	<b>224.19</b>	<b>9.50</b>	<b>11.26</b>	-	-	-	-	-	-	<b>246.08</b>	<b>235.59</b>
Shemaroo Entertainment INC, USA	5.68	1.23	-	-	-	-	-	-	-	-	5.68	1.23
Shemaroo Entertainment (UK) Pvt. Ltd.	230.90	222.96	-	-	-	-	-	-	-	-	230.90	222.96
Vinod Karani	-	-	9.50	11.26	-	-	-	-	-	-	9.50	11.26
Shemaroo Corporation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Dues to Related Parties</b>	<b>95.75</b>	-	<b>1,034.28</b>	<b>391.20</b>	-	-	<b>139.36</b>	<b>29.40</b>	<b>40.28</b>	<b>44.50</b>	<b>1,309.66</b>	<b>465.10</b>





(₹ in lacs), except as otherwise stated

**2.27 Value of imports calculated on CIF basis in respect of**

Particulars	(₹ in lacs)	
	31-Mar-15	31-Mar-14
Components and spare parts	1.11	1.26
	<b>1.11</b>	<b>1.26</b>

**2.28 Expenditure in foreign currency**

Particulars	(₹ in lacs)	
	31-Mar-15	31-Mar-14
Royalty	53.95	0.98
Dividend	10.39	10.39
Directors Sitting Fees	0.20	0.80
Others	186.42	95.65
	<b>250.96</b>	<b>107.81</b>

**2.29 Net dividend remitted in foreign exchange**

Particulars	(₹ in lacs)	
	31-Mar-15	31-Mar-14
<b>Year of remittance (ending on)</b>		
Period to which it relates	2013-14	2012-13
Number of non-resident shareholders	5	5
Number of equity shares held on which dividend was due	3,311,620	3,311,620
Amount remitted	<b>10.39</b>	<b>10.39</b>

**2.30 Earnings in foreign currency**

Particulars	(₹ in lacs)	
	31-Mar-15	31-Mar-14
Exports at F.O.B. Value	1,755.16	1,509.15
	<b>1,755.16</b>	<b>1,509.15</b>

**2.31 Payment to auditor**

Particulars	(₹ in lacs)	
	31-Mar-15	31-Mar-14
<b>As Auditor:</b>		
Audit fee	9.50	6.00
Tax audit fee	-	1.50
<b>In other capacity:</b>		
Management services	8.43	7.50
Other services (certification fees)	0.41	2.54
Reimbursement of expenses	1.58	1.25
	<b>19.91</b>	<b>18.79</b>

The figures mentioned above are exclusive of Service Tax.

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

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 & hence, they have been included under Trade Payables.

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

**2.34** An amount of ₹ 7,15,959/- standing as Current Liability in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company which is held and maintained by HDFC Bank Limited, Fort Branch, Mumbai, Refund Bankers to the IPO.

(₹ in lacs), except as otherwise stated

## 2.35 Gratuity Benefits as per AS 15 (Revised)

	(₹ in lacs)	
Particulars	31-Mar-15	31-Mar-14
<b>I Assumptions as at</b>		
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/ Discount rate	9.19%	8%
Rate of increase in compensation	8.00%	8%
Rate of return (expected) on plan assets	9.00%	8.75%
Employee Attrition Rate(Past Service (PS) )	PS: 0 to 42 : 3%	PS: 0 to 42 : 3%
Expected average remaining service (years)	17.04	17.04
<b>II Changes in present value of obligations</b>		
PVO (Plan Liability) at beginning of period	157.57	151.22
Interest cost	13.89	12.07
Current Service Cost	38.18	30.93
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Benefits paid	(12.94)	(0.72)
Actuarial (Gain)/ Loss on Obligation	9.35	(35.93)
PVO at end of period	206.05	157.57
		(₹ in lacs)
Particulars	31-Mar-15	31-Mar-14
<b>III Changes in Fair Value of Plan Assets</b>		
Fair Value of Plan assets at Beginning of Period	179.83	165.81
Expected return on plan assets	16.00	14.49
Contributions	8.83	0.22
Benefit paid	(12.94)	(0.72)
Actuarial gain /(Loss)on plan assets	0.19	0.04
Fair value of plan assets at end of the Period	191.92	179.83
<b>IV Fair Value of Plan Assets</b>		
Fair Value of Plan assets at Beginning of Period	179.83	165.81
Actual Return on Plan Assets	16.19	14.52
Contributions	8.83	0.22
Benefit paid	(12.94)	(0.72)
Fair value of plan assets at end of the Period	191.92	179.83
Funded Status (including unrecognised past service cost)	(14.13)	22.26
Excess of actual over estimated return on Plan Assets	0.19	0.04
<b>V Experience History</b>		
(Gain)/Loss on obligation due to change in Assumption	33.17	(25.25)
Experience (Gain)/ Loss on obligation	(23.83)	(10.68)
Actuarial Gain/(Loss) on plan assets	0.19	0.04
<b>VI Actuarial Gain/(Loss) Recognized</b>		
Actuarial Gain/(Loss) for the period (Obligation)	(9.35)	35.93

(₹ in lacs), except as otherwise stated

Actuarial Gain/(Loss) for the period (Plan Assets)	0.19	0.04
Total Gain/(Loss) for the period	(9.16)	35.97
Actuarial Gain/(Loss) recognized for the period	(9.16)	35.97
Unrecognized Actuarial Gain/(Loss) at end of period	-	-
<b>VII Past Service Cost Recognised</b>		
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past service Cost- non vested benefits	-	-
Recognised Past service Cost- vested benefits	-	-
Unrecognised Past service Cost- non vested benefits	-	-
<b>VIII Amount to be recognized in the Balance Sheet and Statement of Profit and Loss</b>		
PVO at end of period	206.05	157.57
Fair value of plan assets at end of the Period	191.92	179.83
Funded Status	(14.13)	22.26
Unrecognized Actuarial Gain/(Loss)	-	-
Unrecognised Past service Cost- non vested benefits	-	-
Net Asset/(Liability) recognized in the balance sheet	(14.13)	22.26
<b>Particulars</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
<b>IX Expense recognized in the Statement of Profit and Loss</b>		
Current Service Cost	38.18	30.93
Interest cost	13.89	12.07
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Unrecognised Past service Cost- non vested benefits	-	-
Expected return on plan assets	(16.00)	(14.49)
Net Actuarial (Gain)/Loss recognized for the period	9.16	(35.97)
Expense recognized in the Statement of Profit and Loss	45.23	(7.45)
<b>X Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	(22.26)	(14.59)
Expenses as above	45.23	(7.45)
Contribution paid	(8.83)	(0.22)
Closing Net Liability	14.13	(22.26)
<b>XI Revised Schedule VI</b>		
Current Liability	14.13	-
Non-Current Liability	191.92	157.57

(₹ in lacs), except as otherwise stated

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

Particulars	31-Mar-15	31-Mar-14
Employer's Contribution to Provident Fund	49.37	37.21
	<b>49.37</b>	<b>37.21</b>

**2.36 Contingent Liabilities**

Particulars	31-Mar-15	31-Mar-14
Disputed Direct Tax Demands	98.46	75.24
Disputed Indirect Tax Demands	155.15	161.01
Legal Cases against the company	235.00	227.48
	<b>488.60</b>	<b>463.73</b>

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

**2.37 Others**

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

As per our report of even date

For and on behalf of the Board

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

**Raman Maroo**  
Managing Director  
DIN: 00169152

**Atul Maru**  
Jt. Managing Director  
DIN: 00169264

**K.J. Dandeker**  
Partner  
Membership No.: 18533

**Ankit Singh**  
Company Secretary & Compliance Officer  
Membership No. : A24463

**Hiren Gada**  
Whole Time Director & CFO  
DIN: 01108194

Place : Mumbai  
Date: 6th May, 2015

Place : Mumbai  
Date : 6th May, 2015

## INDEPENDENT AUDITOR'S REPORT

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SHEMAROO ENTERTAINMENT LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### Other Matters

- (a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 94,13,944/- as at 31st March, 2015, total revenues of ₹ 10,95,407/- and net cash flows amounting to ₹ (16,09,237)/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate entities— Refer Note 2.32 to the consolidated financial statements.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - 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 and associate company incorporated in India.

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

**K.J. Dandekar  
Partner**

**Membership No. 018533**

**Place: Mumbai  
Date: 06<sup>th</sup> May, 2015**



## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2015, we report that:

- (i) (a) The Group and its associate have maintained proper records showing full particulars, including quantitative details and situation of fixed assets to the extent applicable.
- (b) The Group and its associate have a regular programme of physical verification of fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Group and its associate and the nature of their fixed assets.
- (ii) (a) As explained to us, inventories to the extent applicable have been physically verified during the period by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and its associate and the nature of their business.
- (c) The Group and its associate have maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on such physical verification as compared to the book records.
- (iii) The Holding Company has granted interest free loan to its wholly owned subsidiaries which are covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').  
The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(a) and (b) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest amount.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group,

its associate and the nature of their business with regard to purchase of fixed assets, inventory and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

- (v) At the beginning of Financial Year the Holding Company had deposits from the Public in respect of which the Company has complied the provisions of section 73 to 76 and the relevant provisions of The Companies Act, 2013 and rules framed there under. However, these deposits have been completely repaid during the financial year and hence as at the end of the year the Group, its associate do not have any deposits within the meaning of the above mentioned sections and rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost accounting records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Group and its associate.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Group and its associate, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance income tax, sales tax, wealth tax, service tax, and duty of excise, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Group and its associate with the appropriate authorities.

As explained to us, the Group and its associate did not have any dues on account of According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of sales tax, service tax, value added tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, have not been deposited by the Holding Company on account of disputes:

Name of the statute	Nature of Dues	Amount (in ₹)	Period to Which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	1,077,790	FY 2011-12	Com.of I.T.(A)

- (viii) The Group does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Group and its associate have not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) According to the information and explanations given to us, the Group and its associate have not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof is prejudicial to the interest of the company.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (xii) During the course of our examination of the books and records of the Group and its associate, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the management.

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

**K.J. Dandekar**  
**Partner**  
**Membership No. 018533**

**Place: Mumbai**  
**Date: 06<sup>th</sup> May, 2015**

# Consolidated Balance Sheet

as at 31st March, 2015

(₹ in lacs)

Particulars	Note	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	2,718.22	1,984.89
(b) Reserves and Surplus	2.2	29,017.21	15,460.62
		<b>31,735.44</b>	<b>17,445.51</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	32.15	1,008.86
(b) Deferred tax liability (Net)	2.4	682.61	847.90
(c) Long term provisions	2.5	54.00	62.21
		<b>768.77</b>	<b>1,918.97</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.6	10,540.84	14,114.53
(b) Trade payables	2.7	1,648.33	3,064.46
(c) Other current liabilities	2.8	3,388.85	3,800.77
(d) Short-term provisions	2.9	766.14	892.15
		<b>16,344.17</b>	<b>21,871.92</b>
<b>Total</b>		<b>48,848.38</b>	<b>41,236.40</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) <i>Fixed assets</i>	2.10		
(i) Tangible assets		2,870.07	3,318.27
(ii) Intangible assets		79.99	92.74
(b) Non-current investments	2.11	1,680.19	894.33
(c) Long term loans and advances	2.12	713.22	611.18
(d) Other non-current assets	2.13	4.50	4.50
		<b>5,347.96</b>	<b>4,921.02</b>
<b>(2) Current assets</b>			
(a) Inventories	2.14	28,868.48	20,050.90
(b) Trade receivables	2.15	12,682.97	14,055.39
(c) Cash and cash equivalents	2.16	246.60	92.55
(d) Short-term loans and advances	2.17	1,702.37	1,899.90
(e) Other current assets	2.18	-	216.63
		<b>43,500.41</b>	<b>36,315.38</b>
<b>Total</b>		<b>48,848.38</b>	<b>41,236.40</b>
<b>Significant Accounting Policies Notes to the Financial Statements</b>	1 & 2		

As per our report of even date

For and on behalf of the Board

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

**Raman Maroo**  
Managing Director  
DIN: 00169152

**Atul Maru**  
Jt. Managing Director  
DIN: 00169264

**K.J. Dandekar**  
Partner  
Membership No.: 18533

**Ankit Singh**  
Company Secretary & Compliance Officer  
Membership No. : A24463

**Hiren Gada**  
Whole Time Director & CFO  
DIN: 01108194

Place : Mumbai  
Date: 6th May, 2015

Place : Mumbai  
Date : 6th May, 2015

## Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015

(₹ in lacs)

Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
<b><u>INCOME</u></b>			
Revenue from operations	2.19	32,345.08	26,460.79
Other Income	2.20	126.42	73.33
<b>I. Total Revenue</b>		<b>32,471.49</b>	<b>26,534.12</b>
<b><u>EXPENDITURE</u></b>			
Direct Operational Expenses	2.21	29,107.53	22,217.91
Changes in inventories	2.22	(8,823.41)	(5,402.47)
Employee benefit expense	2.23	1,850.17	1,853.62
Financial costs	2.24	2,120.72	1,922.80
Depreciation	2.10	367.71	296.43
Other expenses	2.25	1,520.94	1,296.52
<b>II. Total Expenses</b>		<b>26,143.65</b>	<b>22,184.81</b>
<b>Profit before tax</b>	(I - II)	<b>6,327.84</b>	<b>4,349.31</b>
<b>Tax expense:</b>			
(1) Current tax			
- Income Tax		2,359.25	1,293.25
- Wealth Tax		0.52	0.89
(2) Deferred tax	2.4	(165.29)	340.34
(3) Tax in respect of earlier years		27.33	10.95
<b>Profit for the year</b>		<b>4,106.03</b>	<b>2,703.88</b>
Share of Profit / (Loss) in Associate Company		(14.14)	11.96
<b>Profit for the year after adjusting reserves of Associate</b>		<b>4,091.89</b>	<b>2,715.84</b>
<b>Earning per equity share:</b>			
(1) Basic	2.1	17.35	13.68
(2) Diluted	2.1	17.35	13.68
<b>Significant Accounting Policies Notes to the Financial Statements</b>	1 & 2		

As per our report of even date

For and on behalf of the Board

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

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Managing Director  
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**Hiren Gada**  
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DIN: 01108194

Place : Mumbai  
Date: 6th May, 2015

Place : Mumbai  
Date : 6th May, 2015

## Consolidated Cash Flow Statement

for the year ended 31st March, 2015

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax	6,327.84	4,349.31
<b>Adjustments to reconcile profit before tax to cash provided by operating activities:</b>		
Depreciation & Amortisation expense	367.71	296.43
Financial Expenses	2,121.00	1,923.25
Interest Income	(103.31)	(65.47)
Dividend Income	(13.77)	(0.90)
(Profit) / Loss on sale of Tangible Fixed Assets	22.75	0.08
Unrealised Foreign Exchange (Gain)/Loss	38.68	(25.28)
Provision for Leave Encashment	(9.31)	18.23
Provision for Gratuity	2.28	11.85
Liabilities no longer required written back	(5.46)	(2.46)
Bad Debts written off	6.88	2.30
<b>Operating Profit Before Working Capital Changes</b>	<b>8,755.30</b>	<b>6,507.35</b>
<b>Adjustments for changes in Working Capital</b>		
Trade & Other Receivables	1,685.10	(6,424.49)
Inventories	(8,817.57)	(5,191.22)
Trade & Other Payables	(1,840.27)	4,018.64
<b>Cash Generated from Operations</b>	<b>(217.44)</b>	<b>(1,089.71)</b>
Taxes (Paid) / Rrefund (Net)	(2,774.77)	(847.00)
<b>Cash Flow from Operating Activities</b>	<b>(2,992.21)</b>	<b>(1,936.71)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of fixed assets	(22.32)	0.34
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(221.63)	(188.77)
Dividend Income	13.77	0.90
Interest Income	103.31	65.47
Investments made in bank shares	-	(3.00)
Investment in Mutual Funds	(800.00)	-
Loans given to subsidiaries	(33.77)	-
<b>Cash flow from Investing Activities</b>	<b>(960.64)</b>	<b>(125.05)</b>

## Consolidated Cash Flow Statement

for the year ended 31st March, 2015 (Continue)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net Proceeds from Issuance of Share Capital	10,860.65	-
Increase / (Decrease) of Long term Borrowings	(976.71)	984.63
Increase / (Decrease) of Short term Borrowings	(3,539.92)	3,166.34
Dividend Paid	(99.24)	(99.24)
Tax on Dividend Paid	(16.87)	(16.87)
Financial Expenses	(2,121.00)	(1,923.25)
Unamortised Expenses paid towards Fund Raising	-	(69.95)
<b>Cash flow from Financing activities</b>	<b>4,106.90</b>	<b>2,041.66</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>154.05</b>	<b>(20.10)</b>
Cash & Cash Equivalents at the beginning (Refer Note 2.17)	92.55	112.65
Cash & Cash Equivalents at the End (Refer Note 2.17)	246.60	92.55

As per our report of even date

For and on behalf of the Board

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

**Raman Maroo**  
Managing Director  
DIN: 00169152

**Atul Maru**  
Jt. Managing Director  
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**Hiren Gada**  
Whole Time Director & CFO  
DIN: 01108194

Place : Mumbai  
Date: 6th May, 2015

Place : Mumbai  
Date : 6th May, 2015



## 1 Background

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

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

Subsidiary/Associate concern	Date of Incorporation	Place of Incorporation	Proportion of effective ownership as on	
			31st Mar 2015	31st Mar 2014
Shemaroo Entertainment Inc. Wholly owned Subsidiary	15th March, 2007	United States of America	100%	100%
Shemaroo Entertainment (UK) Pvt. Ltd Wholly owned Subsidiary	8th July, 2009	United Kingdom	100%	100%
Shemaroo Films Pvt. Ltd Wholly owned Subsidiary	31st October, 2012	India	100%	100%
Vistaas Digital Media Private Limited Associate Company	17th September, 2009	India	50%	50%

## I Significant Accounting Policies

### a. Basis of preparation of Consolidated Financial Statements:

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

The Consolidated Financial statements relate to Shemaroo Entertainment Limited ('the Company'), its subsidiary companies and Associate Company (together referred to as 'the Group') and have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

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

- i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard 21 - "Consolidated Financial Statements". In accordance with the Standard, the losses applicable to the minority, to the extent, if it exceeds, the minority's interest in the Equity of the subsidiary, has been adjusted against the majority interest.
- ii) In respect of associate company, the financial statements have been consolidated as per Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" following the Equity Method for Consolidation of Associates.
- iii) The excess of cost to the Company of its investment

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

- iv) The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.
- v) The translations of financial statements into Indian Rupees relating to non-integral foreign operations have been carried out using the following procedures:
  - assets and liabilities have been translated at closing exchange rates at the year end; and
  - income and expenses have been translated at an average of monthly exchange rates.

The resultant translation exchange gain/(loss) has been disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.
- vi) The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the requisite disclosure.

### b. Use of estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported

amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

**c. Tangible fixed assets**

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

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

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

**d. Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is lower. However, it was not practicable to use uniform accounting policies for depreciation in the case of following subsidiary:

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

**e. Intangible assets**

Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

**f. Borrowing costs**

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its

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

**g. Impairment of assets**

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

**h. Investments**

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

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

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

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

**i. Inventories**

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

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

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

The borrowing costs directly attributable to a movie/game

is capitalised as part of the cost.

**j. Revenue Recognition**

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

**Sale of goods**

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

**Sale of rights**

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

**Income from services**

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

**Interest**

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

**Dividends**

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

**Others**

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

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

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

**k. Purchase of rights**

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

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

**l. Cash and cash equivalents**

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

**m. Foreign currency translation**

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

**n. Retirement and other employee benefits**

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

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

Leave encashment benefits have been accounted on the basis of actuarial valuation done. The Projected Unit Credit Method as stipulated by AS-15 has been used to determine liability as on 31st March,2015

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

**o. Income tax**

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

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

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

At each reporting date, the company re-assesses

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

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

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

**p. Earnings per share**

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

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

**q. Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**r. Contingent Liabilities and Contingent Assets**

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

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

**s. Unamortised Expenses - Share Issue Expenses**

The "Unamortised Expenses - Share Issue Expenses" includes various expenditure incurred by the Company towards fund raising through public issue of equity shares of the Company (IPO). The said amount has been written-off against the balance appearing in Securities Premium account.

## Notes

(₹ in lacs), except as otherwise stated

	As at March 31, 2015	As at March 31, 2014
<b>Note 2.1</b>		
<b>Share Capital</b>		
<b>Authorised Share Capital:</b>		
Equity shares, ₹ 10/- par value		
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares	<u>3,000.00</u>	<u>3,000.00</u>
<b>Issued, Subscribed and Paid - up</b>		
Equity shares, ₹ 10/- par value		
2,71,82,239 (Previous Year 1,98,48,904) Equity Shares fully paid up.	2,718.22	1,984.89
<b>Total</b>	<u>2,718.22</u>	<u>1,984.89</u>

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

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

Particulars	Equity Shares			
	As at March 31, 2015		As at March 31, 2014	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	19,848,904	1,984.89	19,848,904	1,984.89
Shares Issued during the year	7,333,335	733.33	-	-
<b>Shares outstanding at the end of the year</b>	<b>27,182,239</b>	<b>2,718.22</b>	<b>19,848,904</b>	<b>1,984.89</b>

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

Name of Shareholder	Equity Shares			
	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Maroo	48,09,520	17.69%	48,09,520	24.23%
Mr. Atul Maru	48,09,520	17.69%	48,09,520	24.23%
Mr. Buddhichand Maroo	35,75,320	13.15%	35,75,320	18.01%
Technology And Media Group Pte. Ltd.	18,22,840	6.71%	18,22,840	9.18%
Mr. Hiren Gada	16,40,520	6.04%	16,40,520	8.27%
Mr. Jai Maroo	-	-	12,34,200	6.22%
Copthall Mauritius Investment Limited	23,40,000	8.61%	-	-
<b>Total Shareholding</b>	<b>1,89,97,720</b>	<b>69.89%</b>	<b>1,78,91,920</b>	<b>90.14%</b>

(₹ in lacs), except as otherwise stated

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

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

**Earnings Per Share (EPS)**

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs)	4,091.89	2,715.84
Weighted Average number of equity shares used as denominator for calculating EPS	23,585,891	19,848,904
Basic and Diluted Earnings per share	17.35	13.68
Face Value per equity share	10.00	10.00

**Note 2.2****Reserves & Surplus**

	As at March 31, 2015	As at March 31, 2014
<b>a. Securities Premium Account</b>		
As per last Balance Sheet	4,213.50	4,213.50
Add : Securities premium credited on Share issue	10,127.31	-
	<u>14,340.81</u>	<u>4,213.50</u>
<b>b. General Reserve</b>		
As per last Balance Sheet	1,869.72	1,800.11
Add: Transferred from surplus in Statement of Profit and Loss	104.52	69.60
	<u>1,974.24</u>	<u>1,869.72</u>
<b>c. Foreign Currency Translation reserve (loss)</b>	<b>8.04</b>	<b>(2.07)</b>
<b>d. Surplus</b>		
As per last Balance Sheet	9,379.47	6,849.35
(+) Profit for the year	4,091.89	2,715.84
(+) Transfer from General Reserve	(280.12)	-
Amount available for Appropriation	13,191.24	9,565.18
Appropriations:		
(-) Transfer to General reserve	(104.52)	(69.60)
(-) Proposed Dividend	(326.19)	(99.24)
(-) Tax on Proposed Dividend	(66.41)	(16.87)
	<u>12,694.13</u>	<u>9,379.47</u>
<b>Total</b>	<u><b>29,017.22</b></u>	<u><b>15,460.62</b></u>



(₹ in lacs), except as otherwise stated

**Note 2.3****Long-term borrowings**

	As at March 31, 2015	As at March 31, 2014
<b>Term loans</b>		
From banks		
Secured	32.15	8.86
	<u>32.15</u>	<u>8.86</u>
<b>(b) Film Financing</b>		
Secured	-	1,000.00
	<u>-</u>	<u>1,000.00</u>
<b>Total</b>	<b><u>32.15</u></b>	<b><u>1,008.86</u></b>

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

- i) Term loans from bank amounting to ₹ 32.15 lacs (March 31, 2014: ₹ 8.86 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.
- ii) Film Financing from bank amounting to ₹ NIL lacs (March 31, 2014: ₹ 1000 lacs) is secured by first charge on all tangible and intangible assets at present and future, all revenues and receivables of the specified film negatives and personal guarantee of two promoter directors.

Repayable in equal monthly installments commencing as per repayment schedule of the bank.

Repayment to be made on or before the release of the specified film, but not later than 24 months from the date of first advance.

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

	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	427.58	545.90
Allowances under the Income Tax Act, 1961	255.03	302.00
<b>Total</b>	<b><u>682.61</u></b>	<b><u>847.90</u></b>

**Note 2.5****Long term provisions**

	As at March 31, 2015	As at March 31, 2014
<b>Provision for Employee Benefits</b>		
Provision for leave Encashment	54.00	62.21
<b>Total</b>	<b><u>54.00</u></b>	<b><u>62.21</u></b>

(₹ in lacs), except as otherwise stated

**Note 2.6****Short-term borrowings**

	As at March 31, 2015	As at March 31, 2014
<b>(a) Working Capital Loans from Banks (Secured)</b>	6,662.91	9,625.76
[Secured by hypothecation of stock, book debts and collaterally secured by mortgage of property owned by the company and personal guarantee of some of the directors of the company]		
<b>(b) Bank Overdraft</b>		
Unsecured	2,111.65	1,138.57
	2,111.65	1,138.57
<b>(c) Loans and Advances from (Unsecured)</b>		
- Directors	1,034.28	375.45
- Inter Corporate Deposits	732.00	1,803.00
- Related Parties	-	15.75
- Others	-	1,156.00
	1,766.28	3,350.20
<b>Total</b>	<b>10,540.84</b>	<b>14,114.53</b>

**Note 2.7****Trade payables**

	As at March 31, 2015	As at March 31, 2014
<b>Trade Payables</b>	1,648.33	3,064.46
<b>Total</b>	<b>1,648.33</b>	<b>3,064.46</b>

**Note 2.8****Other current liabilities**

	As at March 31, 2015	As at March 31, 2014
<b>(a) Current Maturities of Long-Term debt (Secured)</b>		
Term Loan from Banks	26.32	15.37
<b>(b) Short Term Loan / Film Financing</b>		
Secured	3,122.50	3,180.00
<b>(c) Creditors for Capital Expenditure</b>	45.91	38.48
<b>(d) Interest Accrued and due</b>	3.19	46.00
<b>(e) Others*</b>	190.93	520.93
* (includes Advance from customers, creditors for expenditure, deposit received, withholding and other taxes payables and other payables)		
<b>Total</b>	<b>3,388.85</b>	<b>3,800.77</b>

(₹ in lacs), except as otherwise stated

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

- i) Term loans from bank amounting to ₹ 26.32 lacs (March 31, 2014: ₹ 15.37 lacs ) is secured by hypothecation of the motor vehicles against which loan has been taken.
- ii) Short Term Loan from bank amounting to ₹ 3122.50 lacs (March 31, 2014: ₹ 3180 lacs) is secured by lien on Third Party FMPs / Debt mutual funds, hypothecation of specified negative prints and intellectual property rights, book debts / film negatives, personal guarantee of Directors

**Terms of Repayment**

Repayable in equal monthly installments commencing as per repayment schedules of the banks.

Repayable at the end of 12 months from the date of first disbursement.

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

Provision for Group Gratuity	
Provision for leave Encashment	
Provision for E S I C	
Provident Fund	
Maharashtra Labour Welfare Fund	

**(b) Other Provisions**

Provision for tax (Net of Advance Tax)	
Proposed Equity Dividend	
Provision for Tax on Proposed Equity Dividend	
Provision for Wealth Tax	

**Total**

	As at March 31, 2015	As at March 31, 2014
	14.13	11.85
	2.61	3.72
	0.67	0.68
	10.07	5.89
	0.01	0.01
	<u>27.50</u>	<u>22.16</u>
	345.53	752.99
	326.19	99.24
	66.41	16.87
	0.52	0.89
	<u>738.64</u>	<u>869.99</u>
	<u><b>766.14</b></u>	<u><b>892.15</b></u>

**Note 2.10: Fixed Assets**

(₹ in lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-Apr-2014	Additions	Deductions	As on 31-March-2015	As on 01-Apr-2014	For the year	Deductions	As on 31-March-2015	As on 31-March-2015	As on 31-March-2014
<b>Tangible Assets</b>										
Office Building*	981.96	-	-	981.96	158.01	15.99	-	174.00	807.96	823.95
Plant & Machinery	4,076.71	107.39	0.61	4,183.42	1,910.25	468.14	0.16	2,378.17	1,805.25	2,166.45
Furniture & Fixtures	414.96	0.84	-	415.80	232.51	74.25	-	306.76	109.04	182.45
Motor Vehicle	278.61	79.33	108.84	249.10	133.20	42.90	74.82	101.28	147.82	145.41
<b>Total Tangible Assets (A)</b>	<b>5,752.23</b>	<b>187.56</b>	<b>109.45</b>	<b>5,830.28</b>	<b>2,433.97</b>	<b>601.28</b>	<b>74.98</b>	<b>2,960.21</b>	<b>2,870.07</b>	<b>3,318.27</b>
<b>Intangible Assets</b>										
Software	228.17	34.07	-	262.23	135.42	46.82	-	182.25	79.99	92.74
<b>Total In-Tangible Assets (B)</b>	<b>228.17</b>	<b>34.07</b>	<b>-</b>	<b>262.23</b>	<b>135.42</b>	<b>46.82</b>	<b>-</b>	<b>182.25</b>	<b>79.99</b>	<b>92.74</b>
<b>Total Assets (A) + (B)</b>	<b>5,980.40</b>	<b>221.63</b>	<b>109.45</b>	<b>6,092.51</b>	<b>2,569.39</b>	<b>648.11</b>	<b>74.98</b>	<b>3,142.46</b>	<b>2,950.06</b>	<b>3,411.01</b>
<b>Previous Year</b>										
Tangible Assets	5,592.27	160.34	0.53	5,752.24	2,166.65	267.34	0.10	2,433.97	3,318.27	3,425.61
Intangible Assets	186.55	41.62	-	228.17	106.33	29.09	-	135.42	92.74	80.22
<b>Previous Year</b>	<b>5,778.82</b>	<b>201.96</b>	<b>0.53</b>	<b>5,980.40</b>	<b>2,272.99</b>	<b>296.43</b>	<b>0.10</b>	<b>2,569.39</b>	<b>3,411.01</b>	<b>3,505.83</b>
Intangible assets under development									-	-

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

(₹ in lacs), except as otherwise stated

**Note 2.11****Non-current investments**

	As at March 31, 2015	As at March 31, 2014
<b>Long Term Investments</b>		
<b>(a) Trade Investments (valued at cost)</b>		
<b>Unquoted equity instruments</b>		
<b>- Investment in Associate Company</b>		
Vistaas Digital Media Private Limited		
45000 (Previous Year: 45000) Equity shares of ₹ 10/- each, fully paid-up	45.00	45.00
Add:- Goodwill	1,016.39	1,016.39
Less:- Share of Loss	(191.20)	(177.06)
<b>Closing Balance as at year end</b>	<b>870.19</b>	<b>884.33</b>
<b>(b) Other Investments (valued at cost)</b>		
i) 50,000 (Previous Year 50,000) Equity shares of ₹10/- each fully paid-up of The N.K.G.S.B. Co-op. Bank Ltd.	5.00	5.00
ii) 20,000 (Previous Year 20,000) Equity shares of ₹ 25/- each fully paid-up of The Shamrao Vithal Co-op. Bank Ltd.	5.00	5.00
Investment in Mutual Fund Units	800.00	-
<b>Name</b>	<b>No of Units</b>	<b>Price per unit</b>
HDFC Floating Rate Income Fund	7,935,799.383	10.0809
	810.00	10.00
<b>Total</b>	<b>1,680.19</b>	<b>894.33</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,680.19</b>	<b>894.33</b>

**Note 2.12****Long term loans and advances**

	As at March 31, 2015	As at March 31, 2014
<b>(a) Security Deposit</b>		
Unsecured Considered Good	110.68	78.76
	110.68	78.76
<b>(b) Other loans and advances</b>		
Loans to Others	599.65	526.64
Loans to employees	2.89	1.86
Prepaid Expenses	-	3.91
	602.54	532.42
<b>Total</b>	<b>713.22</b>	<b>611.18</b>

(₹ in lacs), except as otherwise stated

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

In Fixed Deposit (Maturity more than 12 months)

**Total**

	As at March 31, 2015	As at March 31, 2014
	4.50	4.50
	<u>4.50</u>	<u>4.50</u>

**Note 2.14****Inventories**

(a) Copyrights

(b) Movies under Production

(c) DVDs, VCDs &amp; ACDs

**Total**

	As at March 31, 2015	As at March 31, 2014
	28,407.83	19,392.65
	287.88	472.76
	172.77	185.49
	<u>28,868.48</u>	<u>20,050.90</u>

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

a) More than Six months

b) Other receivables

**Total**

	As at March 31, 2015	As at March 31, 2014
	666.34	644.37
	12,016.63	13,411.02
	<u>12,682.97</u>	<u>14,055.39</u>

**Note 2.16****Cash and cash equivalents**

(a) Balances with Bank

On Current Accounts

Deposit with original maturity of less than three months

(b) Cash on Hand

(c) Other Balances with Bank

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

Deposit with maturity of more than 12 months

**Total**

	As at March 31, 2015	As at March 31, 2014
	134.13	33.17
	-	20.62
	11.79	13.14
	67.56	23.56
	33.12	2.06
	<u>246.60</u>	<u>92.55</u>

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

(a) Other loans and advances

Withholding and Other Taxes Receivable

Advances paid for Supply of Goods and Rendering of Services

	As at March 31, 2015	As at March 31, 2014
	166.06	162.90
	1,208.90	1,530.67

(₹ in lacs), except as otherwise stated

Balance with Customs, Central Excise Authorities	241.28	106.91
Prepaid Expenses	62.99	60.10
Loans to employees	23.14	39.32
	1,702.37	1,899.90
<b>Total</b>	<b>1,702.37</b>	<b>1,899.90</b>

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

Unamortised Expenses - Proposed Share Issue Expenses

**Total**

As at March 31, 2015	As at March 31, 2014
-	216.63
-	<b>216.63</b>

**Note 2.19****Revenue from operations**

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

**Total**

Year ended March 31, 2015	Year ended March 31, 2014
30,618.83	24,297.89
878.38	1,351.33
693.37	664.10
154.50	147.47
<b>32,345.08</b>	<b>26,460.79</b>

**Note 2.20****Other Income**

- (a) Interest
- (b) Dividend
  - Others (Non-Trade Investments)
    - From Current Investments
    - Long Term Investments
- (c) Profit on Sale of Fixed Assets / Shares
- (d) Others

**Total**

Year ended March 31, 2015	Year ended March 31, 2014
103.31	65.48
0.84	0.90
12.93	-
0.77	-
8.57	6.95
<b>126.42</b>	<b>73.33</b>

**Note 2.21****Direct Operational Expenses**

- (a) Purchases
- (b) Works Cost

**Total**

Year ended March 31, 2015	Year ended March 31, 2014
27,376.22	21,216.65
1,731.30	1,001.26
<b>29,107.53</b>	<b>22,217.91</b>



(₹ in lacs), except as otherwise stated

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

	Year ended March 31, 2015	Year ended March 31, 2014
(a) Inventories (at close)	28,788.51	20,049.21
(b) Inventories (at commencement)	19,965.10	14,646.74
<b>Total</b>	<b><u>(8,823.41)</u></b>	<b><u>(5,402.47)</u></b>

**Note 2.23****Employee benefit expense**

	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, Bonus and Allowances	1,746.58	1,747.89
Contribution to Provident & Other funds	73.42	75.29
Staff Welfare Expenses	30.17	30.44
<b>Total</b>	<b><u>1,850.17</u></b>	<b><u>1,853.62</u></b>

**Note 2.24****Financial costs**

	Year ended March 31, 2015	Year ended March 31, 2014
<b>Interest expense</b>		
Borrowings	2,040.35	1,869.52
<b>Other Borrowing Costs</b>		
Bank & Other Finance Charges	80.37	53.28
<b>Total</b>	<b><u>2,120.72</u></b>	<b><u>1,922.80</u></b>

**Note 2.25****Other expenses**

	Year ended March 31, 2015	Year ended March 31, 2014
Bad debts written off	6.88	2.30
Business Development Expenses	56.16	84.59
Communication Expenses	45.07	45.65
Directors Fees	0.80	5.00
Donations	58.48	25.92
Electricity Expenses	138.70	143.48
Foreign Exchange Fluctuation Loss (net)	3.00	(60.91)
Interest on Government Dues	37.71	0.56
General Expenses	417.41	230.61
Insurance Charges	51.92	62.33
Legal, Professional and Consultancy Fees	232.29	183.51
Auditors Remuneration	9.80	9.45
Rents, Rates and Taxes	34.91	37.95
<b>Repairs and Maintenance</b>		
Repairs and maintenance - Machinery	39.90	57.60
Repairs and maintenance - Others	91.76	94.40
Security Charges	28.75	30.49
Selling Expenses	159.73	231.07
Travelling & Conveyance	84.91	112.43
Loss on Sale of Fixed Assets	22.75	0.08
<b>Total</b>	<b><u>1,520.94</u></b>	<b><u>1,296.52</u></b>

(₹ in lacs), except as otherwise stated

**2.26 Related party disclosures****a Names of related parties and description of relationship****Key Management Personnel:**

Mr. Buddhichand Maroo  
 Mr. Raman Maroo  
 Mr. Atul Maru  
 Mr. Jai Maroo  
 Mr. Hiren Gada  
 Mr. Vinod Karani  
 Mr. Hemant Karani  
 Mr. Bipin Dharod  
 Mr. Ketan Maru  
 Mr. Harakhchand Gada  
 Mrs. Kranti Gada  
 Mrs. Smita Maroo  
 Ms. Mansi Maroo  
 Mr. Ankit Singh

**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  
 Taurean Estate Development LLP  
 Technology and Media Group PTE. Ltd.  
 Braj Holdings Pte. Ltd.

**Associate Company:**

Vistaas Digital Media Private Limited

**Related party transactions**

Refer Note b.

(₹ in lacs), except as otherwise stated

**Note 2.26**

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

Particulars	Key Management Personnel/As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014
<b>Purchase of Goods &amp; Services</b>	-	-	<b>214.88</b>	<b>162.90</b>	<b>121.25</b>	<b>83.28</b>	<b>336.13</b>	<b>246.18</b>
Sneha Arts	-	-	27.85	58.89	-	-	27.85	58.89
Think Walnut Digital Private Limited	-	-	187.03	104.01	-	-	187.03	104.01
Vistaas Digital Media Private Limited	-	-	-	-	121.25	83.28	121.25	83.28
<b>Remuneration to Directors</b>	<b>116.57</b>	<b>116.35</b>	-	-	-	-	<b>116.57</b>	<b>116.35</b>
Raman Maroo	42.19	42.11	-	-	-	-	42.19	42.11
Atul Maru	42.19	42.11	-	-	-	-	42.19	42.11
Hiren Gada	32.19	32.12	-	-	-	-	32.19	32.12
<b>Salaries</b>	<b>188.46</b>	<b>166.12</b>	-	-	-	-	<b>188.46</b>	<b>166.12</b>
Bipin Dharod	18.51	18.12	-	-	-	-	18.51	18.12
Hemant Karani	24.52	24.03	-	-	-	-	24.52	24.03
Ketan Maru	22.52	22.07	-	-	-	-	22.52	22.07
Harakhchand Gada	17.31	16.95	-	-	-	-	17.31	16.95
Vinod Karani	31.69	29.95	-	-	-	-	31.69	29.95
Kranti Gada	23.02	7.47	-	-	-	-	23.02	7.47
Smita Maroo	30.18	29.42	-	-	-	-	30.18	29.42
Mansi Maroo	4.63	4.48	-	-	-	-	4.63	4.48
Ankit Singh	16.08	13.63	-	-	-	-	16.08	13.63
<b>Directors Sitting Fees</b>	<b>0.40</b>	<b>1.20</b>	-	-	-	-	<b>0.40</b>	<b>1.20</b>
Buddhichand Maroo	0.20	0.40	-	-	-	-	0.20	0.40
Jai Maroo	0.20	0.80	-	-	-	-	0.20	0.80
<b>Interest Paid (on Loans)</b>	<b>130.94</b>	<b>57.72</b>	-	-	-	-	<b>130.94</b>	<b>57.72</b>
Raman Maroo	50.45	21.94	-	-	-	-	50.45	21.94
Atul Maru	62.60	18.01	-	-	-	-	62.60	18.01
Hiren Gada	1.36	0.63	-	-	-	-	1.36	0.63
Buddhichand Maroo	0.52	3.09	-	-	-	-	0.52	3.09
Jai Maroo	14.86	12.08	-	-	-	-	14.86	12.08
Smita Maroo	1.15	1.97	-	-	-	-	1.15	1.97
<b>Dividend</b>	<b>82.03</b>	<b>82.03</b>	<b>9.11</b>	<b>9.11</b>	-	-	<b>91.14</b>	<b>91.14</b>
Atul Maru	24.05	24.05	-	-	-	-	24.05	24.05
Bipin Dharod	0.21	0.21	-	-	-	-	0.21	0.21
Buddhichand Maroo	17.88	17.88	-	-	-	-	17.88	17.88
Harakhchand Gada	0.16	0.16	-	-	-	-	0.16	0.16
Hemant Karani	0.33	0.33	-	-	-	-	0.33	0.33
Hiren Gada	8.20	8.20	-	-	-	-	8.20	8.20
Jai Maroo	6.17	6.17	-	-	-	-	6.17	6.17
Ketan Maru	0.41	0.41	-	-	-	-	0.41	0.41

(₹ in lacs), except as otherwise stated

**Note 2.26**

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

Particulars	Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014
Raman Maroo	24.05	24.05	-	-	-	-	24.05	24.05
Technology and Media Group PTE. Ltd.	-	-	9.11	9.11	-	-	9.11	9.11
Vinod Karani	0.57	0.57	-	-	-	-	0.57	0.57
<b>Loans Taken during the year</b>	<b>1,114.98</b>	<b>304.97</b>	-	-	-	-	<b>1,114.98</b>	<b>304.97</b>
Atul Maru	744.90	124.21	-	-	-	-	744.90	124.21
Buddhichand Maroo	18.00	-	-	-	-	-	18.00	-
Jai Maroo	20.52	21.30	-	-	-	-	20.52	21.30
Raman Maroo	322.04	158.46	-	-	-	-	322.04	158.46
Hiren Gada	9.52	1.00	-	-	-	-	9.52	1.00
<b>Other Income</b>	-	-	<b>1.80</b>	<b>1.50</b>	-	-	<b>1.80</b>	<b>1.50</b>
Shemaroo Corporation	-	-	1.80	1.50	-	-	1.80	1.50
<b>Dues from Related Parties</b>	<b>9.50</b>	<b>11.26</b>	-	-	-	-	<b>9.50</b>	<b>11.26</b>
Vinod Karani	9.50	11.26	-	-	-	-	9.50	11.26
Shemaroo Corporation	-	-	-	0.14	-	-	-	0.14
<b>Dues to Related Parties</b>	<b>1,034.28</b>	<b>391.20</b>	<b>139.36</b>	<b>29.40</b>	<b>40.28</b>	<b>44.50</b>	<b>1,213.91</b>	<b>465.10</b>
Atul Maru	434.94	79.69	-	-	-	-	434.94	79.69
Hiren Gada	8.52	6.00	-	-	-	-	8.52	6.00
Jai Maroo	132.82	115.30	-	-	-	-	132.82	115.30
Raman Maroo	458.00	174.46	-	-	-	-	458.00	174.46
Smita Jai Maroo (Loan)	-	15.75	-	-	-	-	-	15.75
Sneha Arts	-	-	9.92	23.77	-	-	9.92	23.77
Think Walnut Digital Private Limited	-	-	129.44	5.63	-	-	129.44	5.63
Vistaas Digital Media Private Limited	-	-	-	-	40.28	44.50	40.28	44.50
<b>Personal Guarantees Taken against Bank Loans</b>	<b>50,000.00</b>	<b>54,450.00</b>	-	-	-	-	<b>50,000.00</b>	<b>54,450.00</b>
Atul Maru	10,000.00	12,100.00	-	-	-	-	10,000.00	12,100.00
Buddhichand Maroo	10,000.00	10,000.00	-	-	-	-	10,000.00	10,000.00
Jai Maroo	10,000.00	10,000.00	-	-	-	-	10,000.00	10,000.00
Raman Maroo	10,000.00	12,100.00	-	-	-	-	10,000.00	12,100.00
Hiren Gada	10,000.00	10,250.00	-	-	-	-	10,000.00	10,250.00

(₹ in lacs), except as otherwise stated

## 2.27 Gratuity Benefits as per AS 15 (Revised)

(₹ in lacs)

	Particulars	March 31, 2015	March 31, 2014
<b>I</b>	<b>Assumptions as at</b>		
	Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
	Interest/ Discount rate	9.19%	8.00%
	Rate of increase in compensation	8.00%	8.00%
	Rate of return (expected) on plan assets	9.00%	8.75%
	Employee Attrition Rate(Past Service (PS) )	PS: 0 to 42 : 3%	PS: 0 to 42 : 3%
	Expected average remaining service (years)	16.74	17.04
<b>II</b>	<b>Changes in present value of obligations</b>		
	PVO (Plan Liability) at beginning of period	157.57	151.22
	Interest cost	13.89	12.07
	Current Service Cost	38.18	30.93
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	-
	Benefits paid	(12.94)	(0.72)
	Actuarial (Gain)/ Loss on Obligation	9.35	(35.93)
	PVO at end of period	206.05	157.57
<b>III</b>	<b>Changes in Fair Value of Plan Assets</b>		
	Fair Value of Plan assets at Beginning of period	179.83	165.81
	Expected return on plan assets	16.00	14.49
	Contributions	8.83	0.22
	Benefit paid	(12.94)	(0.72)
	Actuarial gain /(Loss)on plan assets	0.19	0.04
	Fair value of plan assets at end of the period	191.92	179.83
<b>IV</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan assets at Beginning of period	179.83	165.81
	Actual Return on Plan Assets	16.19	14.52
	Contributions	8.83	0.22
	Benefit paid	(12.94)	(0.72)
	Fair value of plan assets at end of the period	191.92	179.83
	Funded Status (including unrecognised past service cost)	(14.13)	22.26
	Excess of actual over estimated return on Plan Assets	0.19	0.04
<b>V</b>	<b>Experience History</b>		
	(Gain)/Loss on obligation due to change in Assumption	33.17	(25.25)
	Experience (Gain)/ Loss on obligation	(23.83)	(10.68)
	Actuarial Gain/(Loss) on plan assets	0.19	0.04
<b>VI</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	(9.35)	35.93
	Actuarial Gain/(Loss) for the period (Plan Assets)	0.19	0.04

(₹ in lacs), except as otherwise stated

## 2.27 Gratuity Benefits as per AS 15 (Revised)

(₹ in lacs)

	Particulars	March 31, 2015	March 31, 2014
	Total Gain/(Loss) for the period	(9.16)	35.97
	Actuarial Gain/(Loss) recognized for the period	(9.16)	35.97
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-
<b>VII</b>	<b>Past Service Cost Recognised</b>		
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past service Cost- non vested benefits	-	-
	Recognised Past service Cost- vested benefits	-	-
	Unrecognised Past service Cost- non vested benefits	-	-
<b>VIII</b>	<b>Amount to be recognized in the Balance Sheet and Statement of Profit &amp; Loss Account</b>		
	PVO at end of period	206.05	157.57
	Fair value of plan assets at end of the Period	191.92	179.83
	Funded Status	(14.13)	22.26
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognised Past service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(14.13)	22.26
<b>IX</b>	<b>Expense recognized in the statement of P &amp; L A/C</b>		
	Current Service Cost	38.18	30.93
	Interest cost	13.89	12.07
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	-
	Unrecognised Past service Cost- non vested benefits	-	-
	Expected return on plan assets	(16.00)	(14.49)
	Net Actuarial (Gain)/Loss recognized for the period	9.16	(35.97)
	Expense recognized in the statement of P & L A/C	45.23	(7.45)
<b>X</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	(22.26)	(14.59)
	Expenses as above	45.23	(7.45)
	Contribution paid	(8.83)	(0.22)
	Closing Net Liability	14.13	(22.26)
<b>XI</b>	<b>Revised Schedule VI</b>		
	Current Liability	14.13	-
	Non-Current Liability	191.92	157.57
	Contribution to Defined Contribution Plans, recognised as expense, is as under:		
	Employer's Contribution to Provident Fund	49.37	37.21
		49.37	37.21

(₹ in lacs), except as otherwise stated

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

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

(₹ in lacs)

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

**Part "A" : Subsidiaries**

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	62.59	6.26	(9.84)	3.65	3.65	-	-	(1.96)	-	(1.96)	NIL
2	SHEMAROO ENTERTAINMENT (UK) PRIVATE LIMITED	GBP	99.21	33.29	(181.91)	94.14	94.14	-	10.24	(71.31)	-	(71.31)	NIL
3	SHEMAROO FILMS PRIVATE LIMITED	INR	1.00	100.00	(4.20)	96.44	96.44	-	309.64	(1.52)	-	(1.52)	NIL

**Part "B" : Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		
			No of Shares	Amount of Investment in Associates/Joint Venture				Extend of Holding %	Considered in Consolidation	Not Considered in Consolidation
1	Vistaas Digital Media Private Limited	31st March, 2015	45,000	1,061.39	50%	Strategic investment	Shemaroo Entertainment Limited is holding only as an strategic investment and does not exercise management control	248.54	(14.14)	NIL

(₹ in lacs)



(₹ in lacs), except as otherwise stated

**2.31 Contingent Liabilities**

Particulars	(₹ in lacs)	
	March 31, 2015	March 31, 2014
Disputed Direct Tax Demands	98.46	75.24
Disputed Indirect Tax Demands	155.15	161.01
Legal Cases against the company	235.00	227.48
	<b>488.60</b>	<b>463.73</b>

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

**2.32 Previous year figures**

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

As per our report of even date

For and on behalf of the Board

**For M. K. Dandekar & Co.**

Chartered Accountants  
ICAI FRN: 000679S

**Raman Maroo**

Managing Director  
DIN: 00169152

**Atul Maru**

Jt. Managing Director  
DIN: 00169264

**K.J. Dandekar**

Partner  
Membership No.: 18533

**Ankit Singh**

Company Secretary & Compliance Officer  
Membership No. : A24463

**Hiren Gada**

Whole Time Director & CFO  
DIN: 01108194

Place : Mumbai

Date: 6th May, 2015

Place : Mumbai

Date : 6th May, 2015





## SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

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

**Tel:** +91 22 4031 9911; **Facsimilie:** +91 22 28519770; **Website:** www.shemarooent.com

### NOTICE of the Annual General Meeting

Notice is hereby given that the 10<sup>th</sup> (Tenth) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Monday, September 21, 2015, at 3:00p.m.** at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai - 400 020, 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, 2015 and the Reports of the Directors and the Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr. Atul Maru (DIN: 00169264), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M.K.Dandekar & Co., Chartered Accountants, (Firm Registration No. 000679S) as Statutory Auditors of the Company for the year 2015-16 and to fix their remuneration.

#### SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the said Act and Clause 49 of the Listing Agreement, CA Reeta Shah (DIN 07141304), who was appointed as an Additional Director of the Company with effect from March 28, 2015 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company,

whose term shall not be subject to retirement by rotation to hold office for a term of 5 (five) years commencing from March 28, 2015.

**RESOLVED FURTHER THAT** the Board 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.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, approval of the Company be and is hereby accorded to the re-appointment of Mr. Raman Maroo (DIN 00169152) as Managing Director of the Company, for a period of 5 (five) years with effect from January 01, 2016, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Raman Maroo, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board 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.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, approval of the Company be and is hereby accorded

to the re-appointment of Mr. Atul Maru (DIN 00169264) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from January 01, 2016, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Atul Maru, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, approval of the Company be and is hereby accorded to the re-appointment of Mr. Hiren Gada (DIN: 01108194) as a Whole Time Director and Chief Financial Officer of the Company, for a period of 5 (five) years with effect from January 01, 2016, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Hiren Gada, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as maybe necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in supersession of the resolution previously passed by the members in this regards and pursuant to the provisions of Section 197, 198 and other applicable provision(s), if any, of the Companies Act, 2013 and Rules made thereunder, the Non-Executive Directors (i.e. Directors other than Managing Directors and Whole Time Director of the Company) be paid, remuneration, as the Board of Directors may time to time determine, not exceeding in aggregate 1% (One percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013 from time to time and computed in the manner

provided under Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including the Nomination and Remuneration Committee) 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:

- MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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 and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable. A proxy form for the AGM is annexed to the Annual Report.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the Annual General Meeting is annexed hereto. Pursuant to Clause 49 of the Listing Agreement, relevant details of persons seeking appointment / re-appointment as directors under item nos. 3, 5, 6, 7 and 8 of the Notice are also annexed.
- The Register of Members and Share Transfer Books will remain closed from September 15, 2015 to September 21, 2015, (both days inclusive) for determining the names of member's eligible for final dividend on Equity Shares, if declared at the Meeting.**
- The Final Dividend for the financial year ended March 31, 2015, as recommended by the Board, if approved by the Members at the AGM, will be paid / dispatched on or after September 21, 2015 (within the statutory time limit of 30 days).
- Members holding shares in demat form are hereby informed that the bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of Dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated to the Depository Participants of the members. Members whose shareholding in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
- Members holding shares in physical form are requested

to intimate any change of address and / or bank mandate to Link Intime India Private Limited / Corporate Secretarial Department of the Company immediately.

7. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with the Annual Report. Members / proxies / authorized representatives are requested to bring the duly filled Attendance Slip and hand it over at the Registration Counter at the venue.
8. 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.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
10. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2014-15 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.  
Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Link Intime (India) Private Limited (in case of Shares held in physical form).
11. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
12. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
13. Members who wish to obtain further information on the financial statements for the year ended March 31, 2015, 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](mailto:investor_services@shemaroo.com)
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the

Listing Agreement, the Company is pleased to provide members facility to exercise their vote at the 10<sup>th</sup> 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 member can opt for only one mode of voting i.e. either through e-voting or by Ballot. In case member casts their vote through both the modes, then voting done through e-voting shall prevail and vote cast through Ballot form shall be treated as invalid.

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. The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter:

#### INSTRUCTIONS FOR REMOTE E-VOTING

Members are requested to follow the instructions below to cast their vote through e-voting:

- A. In case a member receives an e-mail from NSDL [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:
  1. Open the attached PDF file, namely, "e-Voting.pdf." giving your Client ID or Folio No. as passwords. The said file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
  2. Launch internet browser and open <https://www.evoting.nsdl.com>.
  3. Click on Shareholder – Login
  4. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
  5. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  6. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
  7. Select "EVEN" (E-voting Event Number) of Shemaroo Entertainment Limited. Now you are ready for e-voting as Cast votes page opens.
  8. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
  9. Upon confirmation, the message "Vote cast successfully" will be displayed.
  10. Once the vote on a resolution is cast, the Members

shall not be allowed to change it subsequently.

Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the Board Resolution together with their attested specimen signatures authorizing their representative to vote on their behalf at the AGM to the Company through an e-mail on **investors\_services@shemaroo.com** with a copy marked to [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in)

In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

B. In case a member receives physical copy of the Notice convening the AGM [for members whose e-mail addresses are not registered with the Company/Depository Participant(s)]:

- i) User ID and password – Printed Overleaf
- ii) Please follow all steps from 2 to 10 as mentioned in (A) above to cast your vote.

C. Other Instructions:

- i) The e-voting period commences on Friday, September 18, 2015 (9:00 a.m. IST) and ends on Sunday, September 20, 2015 (5:00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on September 14, 2015 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) Members who do not have access to remote e-voting facility may send duly completed Ballot form annexed hereto so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Manish L. Ghia of M/s. Manish Ghia & Associates, Practicing Company Secretaries, (Membership No. FCS 6252), at the Registered Office of the Company not later than September 20, 2015 (5.00 p.m. IST). 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 14, 2015 have the option to download the same from the website of the company. **The Ballot form received after September 20, 2015 (5.00 p.m. IST) will be treated as invalid.**
- iii) 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](mailto: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](http://www.evoting.nsdl.com).

- iv) 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 three days 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.
- v) The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.shemarooent.com](http://www.shemarooent.com) and on the website of NSDL [www.evoting.nsdl.com](http://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.

By Order of the Board of Directors

**Ankit Singh**

Company Secretary & Compliance Officer  
(ACS No.: 24463)

**Registered Office:**

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

*Mumbai*

*July 30, 2015*



## 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. 5

The Board of Directors, pursuant to the provisions of Section 161 of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, appointed CA Reeta Shah as an Additional Director of the Company with effect from March 28, 2015 to hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of CA Reeta Shah for the office of Independent Director of the Company.

The Company has received from CA Reeta Shah, consent to act as a Director, a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of CA Reeta Shah as an Independent Director of the Company for a term of 5 (five) commencing from March 28, 2015 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

In the opinion of the Board, CA Reeta Shah, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement.

None of the Director, Key Managerial Personnel and relatives thereof, except for CA Reeta Shah, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

Following is the information required under Clause 49 of the Listing Agreement with respect to appointment of a Director:

Name of the Director	CA Reeta Shah
Date of Birth	September 08, 1967
Director Identification Number	07141304
Date of appointment	March 28, 2015
Brief resume of the Director including nature of expertise in specific functional areas justifying the appointment	CA Reeta Bharat Shah is a member of Institute of Chartered Accountants of India and holds Master's Degree in Philosophy, Commerce and Business Administration (HRM). She also holds Bachelor's Degree in Law (General) and Commerce (Hons) from University of Mumbai. At present, CA Reeta is pursuing Ph. D. in Finance from SJMSOM, IIT Bombay.

	She has over 27 years of experience in the field of Education and Administration in various capacities. .CA Reeta is presently a Head of Department (Accountancy) at SIES College of Commerce & Economics and is also the management faculty at various other renowned management colleges. With a strong expertise in technical matters she has written articles in various magazines/books and is a regular speaker, panel member and trainer at various conferences and seminars by ICAI, Cultural Committees and other Academic Institutions.
No. of shares held in the Company	-
Directorships held in other public companies (excluding foreign companies and Section 8 Companies)	-
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee Stakeholders Relationship Committee)	-
Inter-se relationships between Directors	-

### Item No. 6

Mr. Raman Maroo was appointed as Managing Director of the Company for a period of five years with effect from January 1, 2011 and his current term as Managing Director would end on December 31, 2015.

The Board of Directors has re-appointed Mr. Raman Maroo as Managing Director on the recommendation of the Nomination and Remuneration Committee for a further period of five years, with effect from January 01, 2016 on the terms and conditions as specified below, subject to the approval of the Members.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Raman Maroo are as under:

#### A. Tenure of Appointment:

The appointment of the Managing Director is for period of five years with effect from January 01, 2016.



**B. Salary:**

₹ 3, 52, 000/- per month in the scale of ₹ 3,00,000 - ₹ 10,00,000.

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

**C. Perquisites:**

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

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

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

**D. Commission:**

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

**E. Minimum Remuneration:**

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

**F. Reimbursements of Expenses:**

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

The details of the terms and conditions of the appointment are set out in the draft Agreement referred to in the

resolution under Item No. 6 of the Notice. The Agreement will remain open for inspection by the members at the registered office of the Company on all working days between 02:00 p.m. and 04: 00 p.m. except Saturdays and Sundays up to the date of the Annual General Meeting.

None of the Director, Key Managerial Personnel and relatives thereof, except for Mr. Raman Maroo and his relatives, to whom the resolution relates, are interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

Following is the information required under Clause 49 of the Listing Agreement with respect to appointment of a Director:

Name of the Director	Mr. Raman Maroo
Date of Birth	December 06, 1950
Director Identification Number	00169152
Date of appointment	December 28, 2005
Brief resume of the Director including nature of expertise in specific functional areas justifying the appointment	Mr. Raman Maroo has been associated with the Group since 1974. He has completed his higher secondary studies from Mumbai, post which he joined the Group. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led the Company's growth for many years. He started acquiring Film Rights, for Home Video, Cable and Satellite distribution. He has always remained the driving force in the Company, taking it into new directions. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He is a Director on the Board of several companies.  Mr. Raman Maroo has approximately 41 years of business experience, out of which, he has been associated with the Media and Entertainment industry for approximately 32 years.
No. of shares held in the Company	4809520
Directorships held in other public companies (excluding foreign companies and Section 8 Companies)	1. Atlas Equifin Private Limited 2. Shemaroo Films Private Limited; 3. Mitoch Pharma Private Limited; 4. Novatech Finvest (India) Private Limited; 5. Shemaroo Holdings Private Limited; 6. Talwalkars Better Value Fitness Limited; and 7. Think Walnut Digital Private Limited.

Memberships / Chairmanships of committees of other public companies (includes only Audit Committee Stakeholders Relationship Committee)	-
Inter-se relationships between Directors	Brother of Mr. Buddhichand Maroo & Mr. Atul Maru
Remuneration last drawn (₹ in lacs)	42.19
No. of Board Meetings attended during the year	5

### Item No. 3 & 7

Mr. Atul Maru was appointed as Joint Managing Director of the Company for a period of five years with effect from January 01, 2011 and his current term as Joint Managing Director would end on December 31, 2015.

The Board of Directors has re-appointed Mr. Atul Maru as Joint Managing Director on the recommendation of the Nomination and Remuneration Committee for a further period of five years, with effect from January 01, 2016 on the terms and conditions as specified below, subject to the approval of the Members.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Atul Maru are as under:

#### A. Tenure of Appointment:

The appointment of the Joint Managing Director is for period of five years with effect from January 01, 2016.

#### B. Salary:

₹ 3,52,000/- per month in the scale of ₹ 3,00,000 - ₹ 10,00,000.

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

#### C. Perquisites:

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

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder

or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

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

#### D. Commission:

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

#### E. Minimum Remuneration:

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

#### F. Reimbursements of Expenses:

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

The details of the terms and conditions of the appointment are set out in the draft Agreement referred to in the resolution under Item No. 7 of the Notice. The Agreement will remain open for inspection by the members at the registered office of the Company on all working days between 2:00 p.m. and 04:00 p.m. except Saturdays and Sundays up to the date of the Annual General Meeting.

None of the Director, Key Managerial Personnel and relatives thereof, except for Mr. Atul Maru and his relatives, to whom the resolution relates, are interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 7 for the approval of the members.

Following is the information required under Clause 49 of the Listing Agreement with respect to appointment of a Director:

Name of the Director	Mr. Atul Maru
Date of Birth	February 23, 1961
Director Identification Number	00169264

Date of appointment	December 28, 2005
Brief resume of the Director including nature of expertise in specific functional areas justifying the appointment	Mr. Atul Maru has been associated with the Group since 1979. He has completed his higher secondary studies from Mumbai. Mr. Atul Maru has approximately 35 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.
No. of shares held in the Company	4809520
Directorships held in other public companies (excluding foreign companies and Section 8 Companies)	1. Shemaroo Holdings Private Limited 2. Think Walnut Digital Private Limited 3. Shemaroo Films Private Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee Stakeholders Relationship Committee)	-
Inter-se relationships between Directors	Brother of Mr. Buddhichand Maroo & Mr. Raman Maroo
Remuneration last drawn (₹ in lacs)	42.19
No. of Board Meetings attended during the year	5

#### Item No. 8

Mr. Hiren Gada was appointed as Whole Time Director of the Company for a period of five years with effect from January 01, 2011 and his current term as Whole Time Director would end on December 31, 2015. He was designated as Chief Financial Officer (CFO) with effect from May 29, 2014.

The Board of Directors has re-appointed Mr. Hiren Gada as Whole Time Director & Chief Financial Officer (CFO) on the recommendation of the Nomination and Remuneration Committee for a further period of five years, with effect from January 01, 2016 on the terms and conditions as specified below, subject to the approval of the Members.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Hiren Gada are as under:

#### A. Tenure of Appointment:

The appointment of the Whole Time Director is for period of five years with effect from January 01, 2016.

#### B. Salary:

₹2,68,000/- per month in the scale of ₹ 2,00,000 - ₹ 8,00,000.

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

#### C. Perquisites:

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

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

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

#### D. Commission:

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

#### E. Minimum Remuneration:

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

#### F. Reimbursements of Expenses:

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

The details of the terms and conditions of the appointment are set out in the draft Agreement referred to in the resolution under Item No. 8 of the Notice. The Agreement will remain open for inspection by the members at the

registered office of the Company on all working days between 02:00 p.m. and 4:00 p.m. except Saturdays and Sundays up to the date of the Annual General Meeting.

None of the Director, Key Managerial Personnel and relatives thereof, except for Mr. Hiren Gada and his relatives, to whom the resolution relates, are interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

Following is the information required under Clause 49 of the Listing Agreement with respect to appointment of a Director:

Name of the Director	Mr. Hiren Gada
Date of Birth	August 01, 1970
Director Identification Number	01108194
Date of appointment	May 26, 2008
Brief resume of the Director including nature of expertise in specific functional areas justifying the appointment	<p>Mr. Hiren Gada has been associated with the Group since 2003 and the Company since 2008. He holds a Masters degree in Management (Finance) from Welingkar Institute of Management, Mumbai University. He has received the 'Hall of Fame' Award from Welingkar Institute of Management in 2006.</p> <p>Mr. Hiren Gada has approximately 19 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for the last 12 years. He has played an active role in the transformation of Shemaroo from a family-run business to a professionally driven business. He has also led the Co.'s presence on the International front.</p> <p>Mr. Gada has guided the transformation from Video Company to an integrated filmed entertainment content house. Prior to joining the Company he headed the Investment research activities with an equity brokerage house.</p> <p>He has helped set up some of the newer business areas that the Company has entered into. He handles the Strategy and Finance functions in our 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.</p>
No. of shares held in the Company	1640520

Directorships held in other public companies (excluding foreign companies and Section 8 Companies)	<ol style="list-style-type: none"> <li>Vistaas Digital Media Private Limited</li> <li>Think Walnut Digital Private Limited</li> <li>Shemaroo Films Private Limited</li> </ol>
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee Stakeholders Relationship Committee)	-
Inter-se relationships between Directors	-
Remuneration last drawn (₹ in lacs)	32.19
No. of Board Meetings attended during the year	5

#### Item No. 9

Under the Act, directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

The Members of the Company had previously approved the payment of remuneration by way of commission to Non-Executive Directors not exceeding 1% of the net profits of the Company for each year for a period of five years commencing from April 01, 2011.

Although the approval is valid until March 31, 2016, the resolution proposes to seek approval of members in accordance with Section 197 of the Companies Act, 2013 in order to continue payment of commission to non-executive directors. The Board of Directors in consultation with the Nomination and Remuneration Committee may determine each year the specific amount to be paid as commission to the non-executive directors, which shall not exceed 1% of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Act.

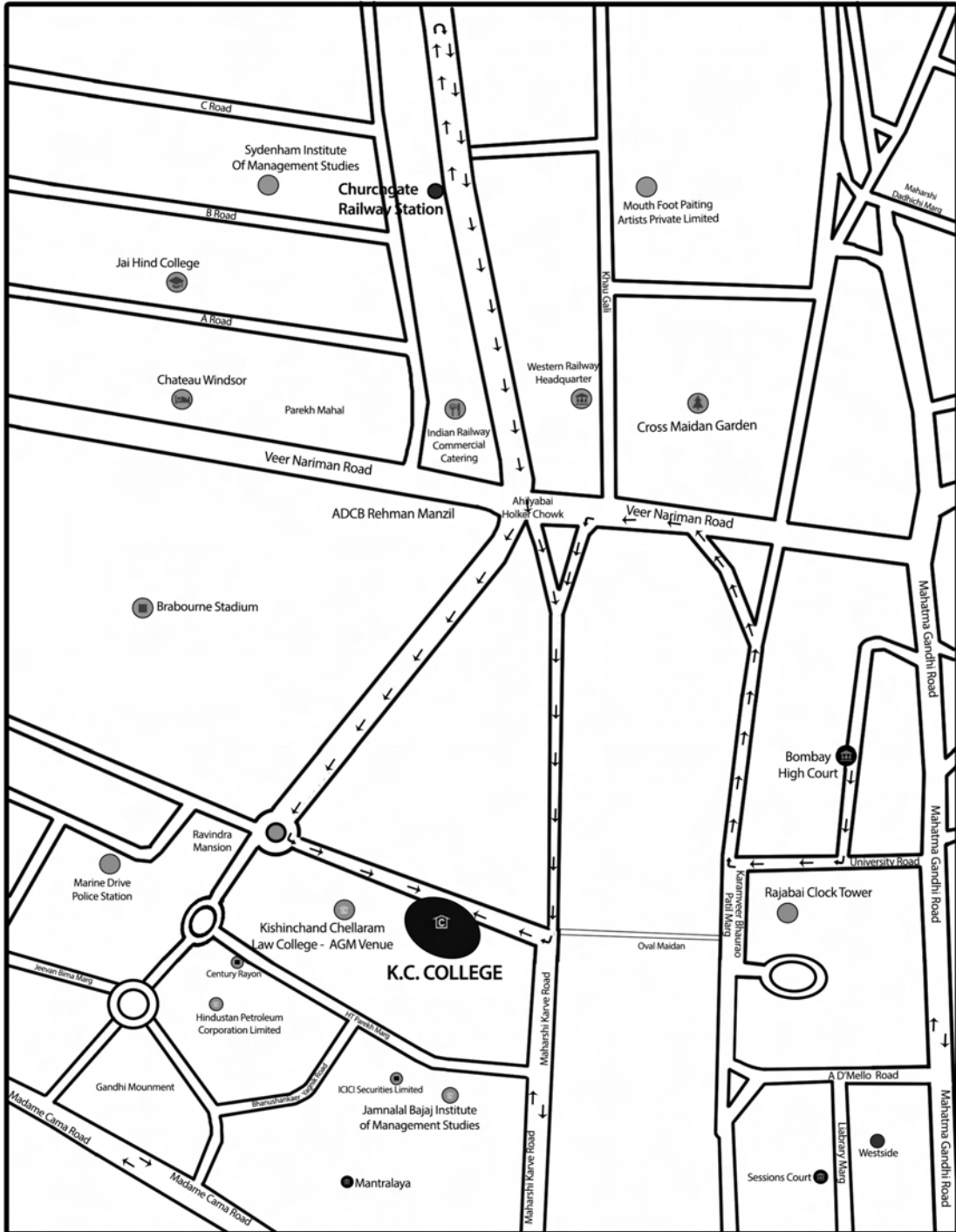
The payment of commission would be in addition to the sitting fees payable for attending meetings of the Board and committees thereof, if any.

None of the Directors or Key Managerial Personnel and their relatives (except Non-Executive Directors), are concerned or interested in the resolution to the extent of commission payable to them in accordance with the proposed resolution.

The Board recommends the resolution set forth in Item no. 9 for the approval of the members.



# ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE





## SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

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

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

Email: investor\_services@shemaroo.com | Website: www.shemarooent.com

### ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_

(To be filled in if Proxy attends instead of the Member)

No. of shares held : \_\_\_\_\_

Email ID : \_\_\_\_\_

Folio No. : \_\_\_\_\_

DP ID \* : \_\_\_\_\_

Client ID \* : \_\_\_\_\_

I hereby record my presence at the TENTH (10th) ANNUAL GENERAL MEETING of the Company at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai – 400 020 at 3:00 p.m. on Monday, September 21, 2015.

\_\_\_\_\_  
Member's/Proxy's Signature

\* Applicable for the members holding shares in electronic form.

NOTE: Members are requested to bring their copies of the Annual Report to the meeting.

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**SHEMAROO ENTERTAINMENT LIMITED**

CIN: L67190MH2005PLC158288,

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

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Email: investor\_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: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No. / \*Client ID/ \*DP ID: \_\_\_\_\_

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

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_

as my / our proxy to attend and vote for me/us on my/our behalf at the 10th (Tenth) Annual General Meeting of the Company to be held on Monday, September 21, 2015, at 3:00 P.M. at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai – 400 020, and at any adjournment thereof in respect of such resolutions as are indicated below :

**Ordinary Business**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Directors and the Auditors' Report thereon.
2. Declaration of final dividend
3. Re-appointment of Mr. Atul Maru (DIN: 00169264), who retires by rotation.
4. Ratification of the appointment of Statutory Auditors.

**Special Business**

5. Appointment of CA Reeta Shah (DIN: 07141304) as Independent Director.
6. Re-appointment of Mr. Raman Maroo (DIN: 00169152) as Managing Director.
7. Re-appointment of Mr. Atul Maru (DIN: 00169264) as Joint Managing Director.
8. Re-appointment of Mr. Hiren Gada (DIN: 01108194) as Whole-Time Director & CFO.
9. Payment of Remuneration by way of Commission to Non-Executive Directors.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
Signature of shareholder\_\_\_\_\_  
Signature of proxy holder(s)

Affix  
₹ 1  
Revenue  
stamp

**Notes :**

- (1) 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.
- (2) Notwithstanding the above, Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

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DIGITAL MEDIA HOME ENTERTAINMENT DTH TERRESTRIAL TELEVISION  
INTERNET IN-FLIGHT TABLET WAP ONLINE STREAMING PLATFORMS MOBILE  
IPTV BLU-RAY CABLE TELEVISION SATELLITE TELEVISION VIDEO ON DEMAND  
DVD MVAS VCD OTT APPs PCs PAY PER VIEW SMART TV SURFACE TRANSPORT  
TRADITIONAL MEDIA SIDELOADING DIGITAL MEDIA HOME ENTERTAINMENT DTH  
TERRESTRIAL TELEVISION INTERNET IN-FLIGHT TABLET WAP ONLINE  
STREAMING PLATFORMS MOBILE IPTV BLU-RAY CABLE TELEVISION SATELLITE  
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SMART TV SURFACE TRANSPORT TRADITIONAL MEDIA SIDELOADING DIGITAL  
MEDIA HOME ENTERTAINMENT DTH TERRESTRIAL TELEVISION INTERNET  
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## Shemaroo Entertainment Ltd.

### Address

Shemaroo House, Plot no. 18, Marol co-operative Industrial  
Estate, Off Andheri Kurla Road, Andheri (E), Mumbai 400059.

Tel.: +91 22 4031 9911

TELEVISION SATELLITE TELEVISION VIDEO ON DEMAND DVD MVAS VCD OTT  
APPs PCs PAY Conceptualised, designed and developed by Valorem Advisors - [www.valoremadvisors.com](http://www.valoremadvisors.com) TRADITIONAL MEDIA