



Ref No.: SEL / Reg. 34- LODR / September-2016 / 01

September 27, 2016

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

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

Dear Sir / Madam,

Re: SHEMAROO ENTERTAINMENT LIMITED - ISIN: INE363M01019

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

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2015-16 duly approved and adopted by the members.

This is for your information and records.

Thanking you,

Yours faithfully,

For Shemaroo Entertainment Limited



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

why blend in
when you can
stand out?



Shemaroo Entertainment Limited
ANNUAL REPORT 2015-2016

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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

Dr. (CA) Reeta Bharat Shah
DIN: 07141304
Independent Woman Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ankit Singh

STATUTORY AUDITORS

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

INTERNAL AUDITORS

M/s. Gawande & Associates, Chartered Accountants

SECRETARIAL AUDITORS

M/s. Manish Ghia & Associates

BANKERS

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

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.:- +91-22-2594 6970; +91-22-25963838
Fax No.:-+91-22-25946969
Website: www.linkintime.co.in/
Email : rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L67190MH2005PLC158288

#pioneer

“If you don’t
**GET OUT
OF THE BOX**
you’ve been
raised in,
you won’t understand
how much bigger
the world is”

- Angelina Jolie



Corporate Overview and History

Shemaroo Entertainment Limited is one of the few entertainment companies that has hallmarked several pioneering efforts with its innovative and out of the box thinking in the Indian Media and Entertainment Industry.

Shemaroo was founded in 1962, in Mumbai, India, as a book circulating library. We envisioned the opportunity of the starved Indian Media and entertainment Industry and started one of the most prominent video cassette libraries in Mumbai in 1979, and after that forayed into home video distribution in 1987. We evolved our business into content aggregation and distributing it across platforms. We successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms and are continuing the expansion into new media platforms as well.

With a vast and diverse content library, the brand **Shemaroo** has become synonymous with quality entertainment. We have grown into an established filmed entertainment content house with activities across content aggregation, value addition to content and content distribution.

Today, we are one of the largest independent content aggregators in Bollywood. Our Content Library consists of **over 3,400 titles** spanning recent Hindi films like Jab We Met, Ajab Prem Ki Ghazab Kahani, Om Shanti Om, Golmaal, Dedh Ishqiya amongst others to all time blockbusters like Beta, Dil, Disco Dancer, Bobby, Sarfarosh, Amar Akbar Anthony, Namakli Halal, and evergreens like Madhumati, Mughal-e-Azam, Pakeezah, Mera Naam Joker, Chupke Chupke, etc. We also have non-film content and titles in various other regional languages like Marathi, Gujarati, Punjabi and Bengali amongst others.

#unique

“You have to be
**UNIQUE &
DIFFERENT**
to shine in
your own way”

- Lady Gaga

Unique Business Model

Shemaroo identified that movies have one of the longest shelf lives as compared to any other media and entertainment content and pioneered a unique business model of movie library syndication by acquiring movie titles from producers and distributing it across various media platforms like Television (Satellite, Terrestrial and Cable Television), New Media (Mobile, Internet, OTT etc.), Home entertainment and other media.

Theatrical, television and overseas release generate around 90-95% of the revenues in the first cycle of a movie 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. This phase is relatively lower in risk as movies' connect with audience is already established. The revenue in these subsequent cycles of film monetization has been typically growing due to various factors like increasing advertisement spends, digitization etc. Shemaroo decides on the content cost based on estimated revenue potential and desired return on investment at a portfolio level. Shemaroo then distributes this content over different platforms like Broadcasting channels, New Media platforms like YouTube and others

Our content ownership rights are purchased on either a Perpetual or Aggregated basis. Perpetual Rights are where we have complete ownership rights which allow us to distribute the content worldwide for a perpetual period across platforms. Aggregated or Limited Rights are ones where our rights are limited by factors such as period of usage, platforms or geographies. Today our content Library includes **more than 3,400 titles** spanning Hindi Films, Regional Titles and Non-Film content.

Sr. No.	Types of Content	Perpetual Titles	Limited Ownership Titles	Total Number of Titles
1.	Hindi films	423	1,394	1,817
2.	Regional Titles	440	927	1,367
3.	Special Interest Content	49	199	248
	Total	912	2,520	3,432



#irreplaceable

“In order to be **IRREPLACEABLE**,
one must always be **DIFFERENT**”

- *Coco Chanel*

Presence In Traditional Media

Shemaroo owns a diverse content library which it syndicates to various broadcasting channels. In a highly fragmented industry, our large and diversified movie library makes us an invaluable partner for the traditional media platforms.

Syndicating movie rights to television channels for broadcasting is one of the primary contributors of revenues for Shemaroo. We have distributed more than 1,000 movies for broadcasting on television networks over the last five years. Shemaroo's syndication business adds significant value to the entire movie eco-system through legal, technical and commercial value additions thereby creating a win win situation for all.

Shelf life of a film is one of the longest amongst various type of content and it continues to be one of the key drivers of ratings for television channels, second only to the General Entertainment Channels (GECs). In

addition to this, movies contribute to the ratings even on GECs. Broadcasters require a substantial number of movie library content for a single movie channel in a given year even after considering reruns. With the advent of new movie channels, the content requirement of broadcasters continues to rise and with digitisation, broadcasters are expected to continue spending more on content acquisition. Shemaroo hence plays a pivotal role in providing substantial and good quality content to all broadcasters.

The company has over the years become a prominent content aggregator in India, distributing its content across all traditional media platforms such as cable television, home video, in-flight entertainment etc. The company benefits from its long standing relationships with marquee Indian producers like R.K. films, Red Chillies Entertainments, Tips Industries Ltd., Viacom 18, Nadiadwala Grandson Entertainment, etc.

#opportunistic

“Luck is a matter of
PREPARATION
meeting
OPPORTUNITY”
- Oprah Winfrey



Positioning for the New Media Explosion

With the promising growth estimated across internet platforms and smartphones, Shemaroo was one of the early Indian media companies to understand the size of the upcoming opportunity by distributing its library across new media platforms, thereby gaining first mover advantage.

With the advent of new media platforms, Shemaroo was one of the few companies in India to partner with platform providers like YouTube by providing various types of content very early in the game. New Media platforms have been replacing the traditional physical home video platforms and provide a whole new and exponential monetisation stream for movie content.

Shemaroo works across various revenue models in New Media Platforms like pay per transaction, subscription based or advertisement supported. These revenue models give us the flexibility to monetise our content to its maximum potential. Our content is today distributed over various internet video platforms like YouTube, Hooq, Hotstar, Apple iTunes, Google Play and Spuul. We

also play an important role with mobile operators for providing mobile value added services like videos, full songs, imagery etc.

Shemaroo's case study with YouTube is a clear indication of the explosion of growth that can be expected in the future across new media platforms. Shemaroo was one of the first few companies in India to partner with YouTube for content shown on their platform. Today, we have **over 40 channels on YouTube**, which attract **over 100 million monthly views**. Shemaroo's flagship YouTube channel (ShemarooEnt) **crossed 1 Billion views** mark recently making it one of the few to achieve this feat.

Our opportunistic philosophy has resulted in a continuous hunger for innovation and to find new monetisation streams and at the same time keeping in mind the consumption trends of an average consumer. In line with this philosophy we launched few subscription based services this year on various DTH operators across genres like Movies, Devotion, Comedy etc.

MD'S MESSAGE

Dear Shareholders,

The Financial year 2015-16 was indeed an eventful year for your company.

Financially, our Revenues grew around 16% from the previous year to INR 3,767 Mn, whilst clocking in a 27% growth in our profitability Year on Year at INR 521 Mn, primarily driven by another phenomenal year of New Media performance where our Revenues grew by 70% Year on Year to INR 635 Mn. We also closed the year with record EBITDA Margins of 29.60%.

Operationally, we achieved many new milestones and have been able to carve a niche for ourselves in the ever changing media industry landscape. Sticking to our investment strategy in movie content acquisitions, we closed various deals this year, one of the major ones being with Red Chillies Entertainment for titles like 'Main Hoon Na', 'Om Shanti Om', 'Chalte Chalte', etc. On the New Media front, we tied up with various new media platforms like Hooq, Spuul, Saavn, Hotstar, etc. We achieved new record highs on our viewership across our YouTube channels, with our flagship channel on YouTube crossing 1 billion views. Lastly we are also exploring opportunities to customize and deliver quality content through subscription based value added services across various DTH platforms. As you may know, Shemaroo's journey started from a small book circulating library in 1962, from where we evolved into a home video distributor, and today we are one of the largest movie content aggregator in the Media Industry with over 3400 titles under our basket. It is in our DNA to think differently and envisage opportunities ahead of the curve. Hence, we have continued our strategy to expand our movie content library and invest in quality content. We are able to grow our library due to our long

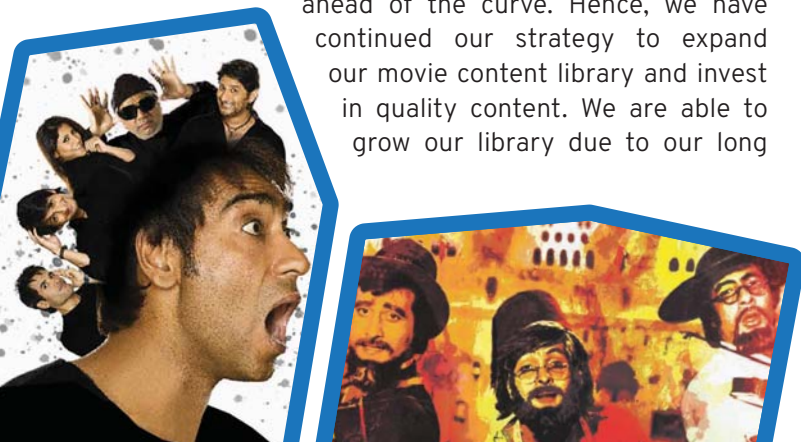
standing established relationships across the Indian movie industry. Our understanding of the latest in media technologies and ever-changing consumption pattern has helped us deliver quality content across platforms. I believe that today we are at the fore front of a digital revolution delivering quality content across various platforms to consumers. This translates into multiple monetisation channels for the company, leading to a strong bottom line growth.



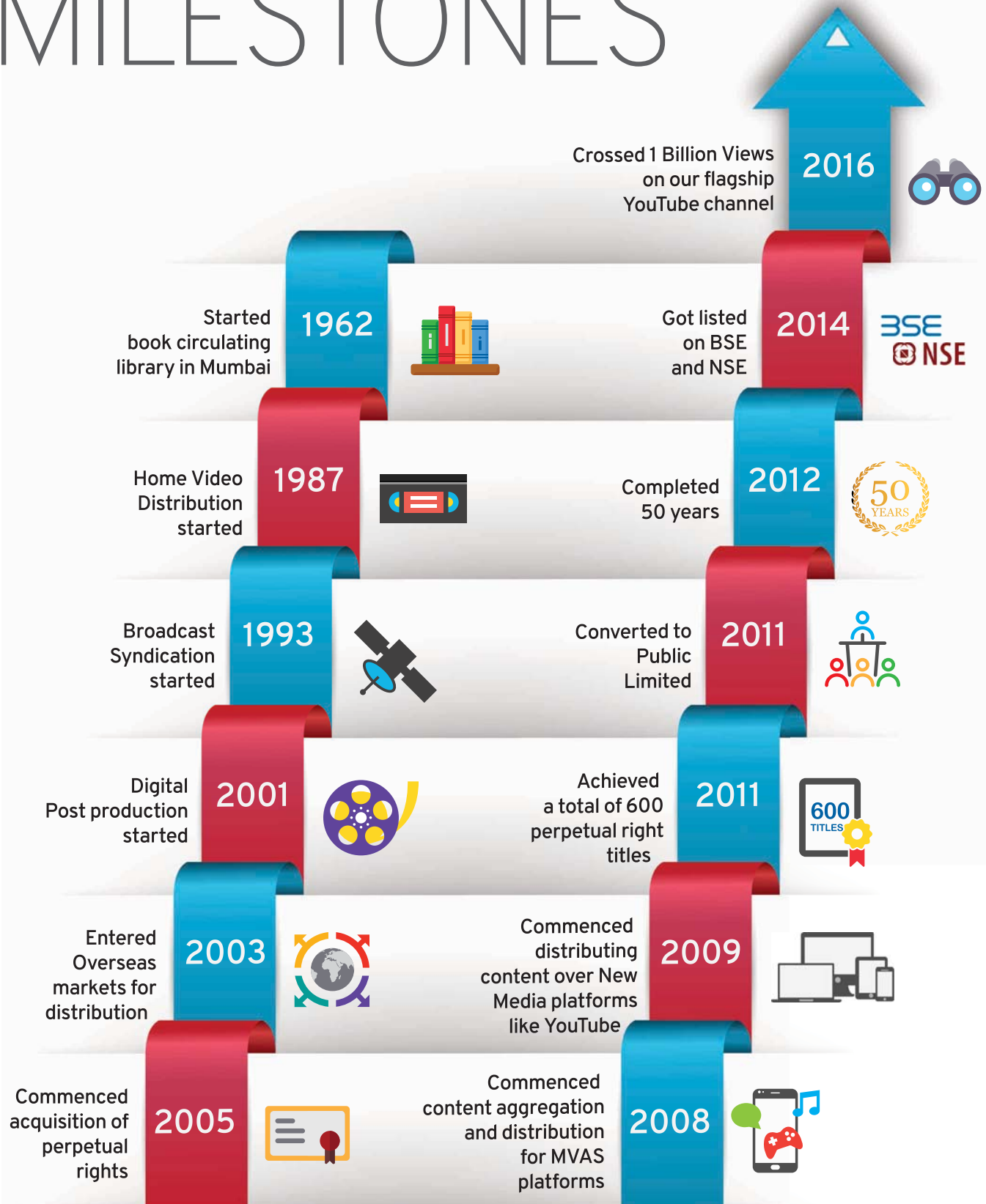
India is currently going through a digital revolution with content consumption increasing multi-fold across platforms. With the advent of 4G and better Broadband Infrastructure, we expect this growth momentum to further strengthen leading to higher demand for quality content. We are uniquely positioned to benefit from the same on the back of our strong content library, our vast relationship network and our strong understanding of the industry dynamics. On the traditional media front, we believe that the completion of last phase of digitization 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.

Today, I am more excited than ever as we move forward in our journey. We are confident that we are well positioned to ride the industry growth wave and achieve new highs. I would like to thank you for your continued support and confidence in our company. I would also like to take this opportunity to thank our dynamic workforce who are the chief reason behind our success story.

**Sincerely,
Raman Maroo**

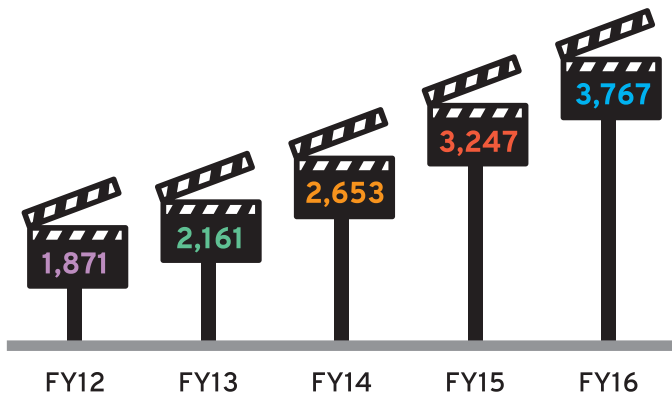


MAJOR MILESTONES

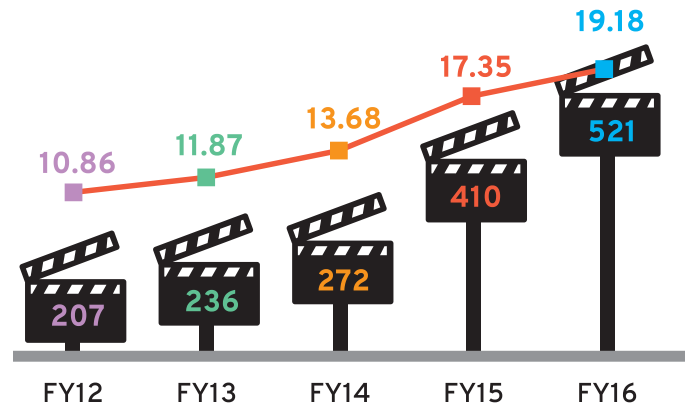


KEY CONSOLIDATED FINANCIAL HIGHLIGHTS

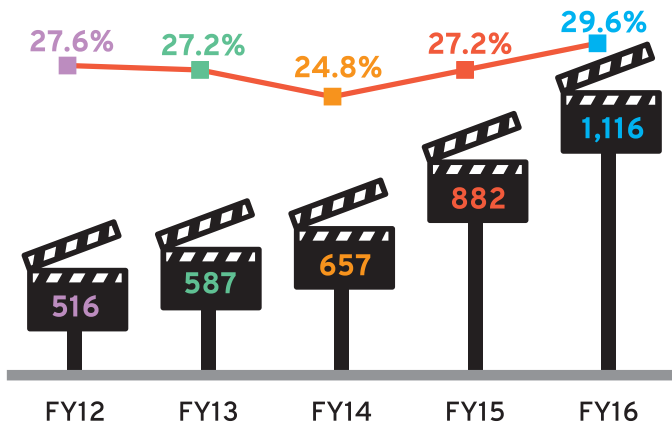
TOTAL INCOME* (INR mn)



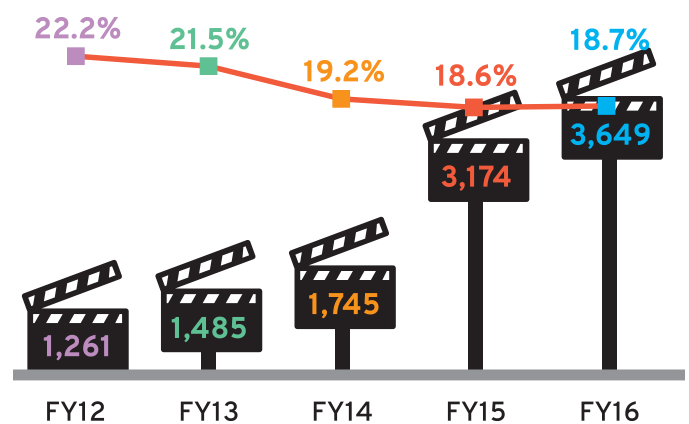
PAT (INR mn) AND EPS



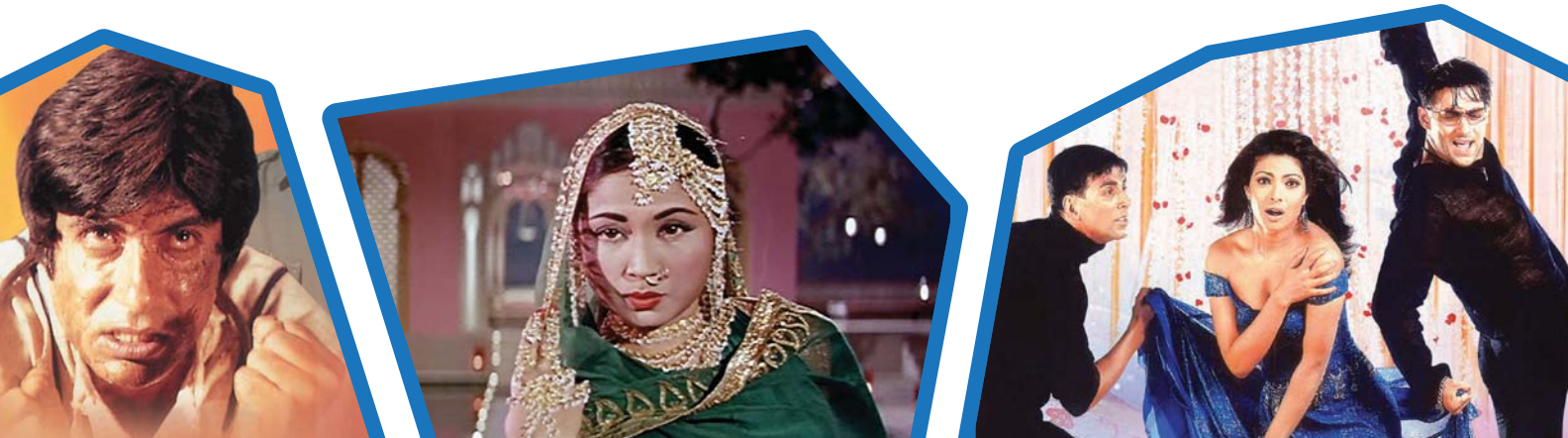
EBITDA* (INR mn) AND EBITDA MARGIN* (%)



NETWORTH (INR mn) AND ROCE



* - Total Income includes Other Income



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 started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. He has an experience of approximately 54 years, out of which, he has been associated with Media and Entertainment Industry for around 33 years.

Mr. Raman Maroo, the Managing Director, has an experience of approximately 42 years, out of which he has spent around 33 years in Media and Entertainment Industry. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into an established filmed entertainment content house. He has always remained the driving force in the Company, taking it into new directions.

Mr. Atul Maru, the Joint Managing Director, has around 36 years of experience in the media and entertainment industry. He has managed the transition of the Company from VHS days to today's multi-platform operations. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company.

Mr. Hiren Gada, the Whole Time Director & CFO, has approximately 20 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for around 13 years. He has played an active role in the transformation of Shemaroo from a family-run business to a professionally driven business in terms of systems and processes, best industry practices, etc. He handles the Strategy and Finance functions in the Company. He is a regular speaker at various industry forums and is regularly quoted in media on several issues pertaining to the industry and the Company.

Mr. Jai Maroo, the Non-executive Director, has many years of experience in the technology industry in USA and Singapore and approximately 13 years of experience in the Media and Entertainment industry. He holds a Masters Degree in Computer Science and Engineering from Pennsylvania State University, U.S.A and a Graduate Degree in Computer Engineering from the University of Mumbai. Given his strong technical background, he is in charge of expanding Shemaroo's reach on digital distribution platforms such as Mobile, Internet, OTT and so on.

Mr. Gnanesh Gala, an Independent Director on the board of the Company, has around 33 years of experience in the Educational Publishing Industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 21 years and has now been appointed as the Managing Director of the said company.

Mr. Vasanji Mamania, an Independent Director on the Board of the Company, has around 54 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Non-ferrous Metals. He was the Co-Founder of Adlabs. Mr. Mamania has handled responsibilities ranging from operations to financial planning and engineering inputs in design and processes.

Mr. Shashidhar Sinha, an Independent Director on the Board of the Company. He is a B.Tech from IIT Kanpur and is a post graduate from IIM Bangalore, India. He has over 31 years of experience in media and advertising. He is presently the CEO of Lodestar UM India. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAI's – Indian Broadcasting Federation joint body on industry practices, Audit Bureau of Circulation and the Joint Industry Body set up to monitor TV measurement.

Mr. Kirit Gala, an Independent Director on the Board of the Company. He has completed his Masters in Business Administration and Mechanical Engineering from Mumbai University and has also completed his doctoral research in marketing at Tennessee, U.S.A. He has around 26 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. As a true strategist he is better known as a "Marketing wizard" and has already been featured in various leading Business magazines for his expertise.

Dr. (CA) Reeta Bharat Shah, an Independent Women Director on the board of our Company, has over 28 years of experience in the field of education and administration in various capacities. Dr. (CA) Reeta is a Ph.D. from IIT Bombay, a member of Institute of Chartered Accountants of India, Masters in Philosophy, Masters in Commerce, Masters in Business Administration (HRM), Bachelors of Law (General) and Bachelors of Commerce (Hons.). Dr. (CA) Reeta is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics.

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY OVERVIEW

In the financial year 2015-16 global economic activity continued to remain subdued. While the emerging economies showed resilience, they were not fully insulated from the overall weaker investor sentiments. The advanced economies did show some gradual pickup, albeit slow, indicating some improvement in outlook. There were few key influencing factors to the global economy.

China's economy witnessed a faster than expected slowdown due to rebalancing economic activities moving away from investment and manufacturing towards consumption and service related activities.

Energy and various commodity prices witnessed a decline. Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importers. However, strain due to oil shock and its impact on investment climate and weak pick-up in oil-consuming economies due to limited pass-on of lower prices has resulted in global growth stalling.

The United States has been going through a gradual monetary policy tightening scenario where the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound, while monetary easing continued in the euro area and Japan. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial conditions, declining capital flows, and further currency depreciations in many emerging market economies.

According to IMF, Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1 percent, and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4 percent in 2015—the lowest since the 2008–09 financial crisis—to 4.3 and 4.7 percent in 2016 and 2017, respectively.

INDIAN ECONOMY OVERVIEW

India remained a relatively bright spot in the global economy with its growth story continuing to bloom. One of the contributors to the strong growth experienced by the Indian economy was the sharp decline in crude oil prices. According to Asian Development Bank estimates, the Indian economy grew at 7.6% in FY2015 (ending 31 March 2016). Despite a weak monsoon for a second consecutive year, agriculture grew by 1.1% in FY2015. While the industry and private consumption accelerated to a growth of 7.3% and 7.6% respectively, the services growth moderated to 9.2%.

India continued to remain at the top of Nielsen's global consumer confidence index for the sixth quarter in a row. The Foreign Direct Investment (FDI) inflows increased 40 per cent during April-December 2015 to reach US\$ 29.44 billion, compared to same period last year. Also, India's foreign exchange reserves remained comfortable at US\$ 356 billion in the week up to March 25, 2016.

The regulatory regime witnessed easing and the Reserve Bank of India (RBI) cut interest rates four times as inflation eased sharply. Rate cuts had been widely called for by the industry to reduce the cost of borrowing and help stimulate growth. The government's strong focus on reviving growth was evident from the Union budget, where the Finance Minister gave relief to small tax payers, nudged the affluent to shell out more while focusing on the rural economy with much higher fiscal outlays. The Finance minister also reaffirmed that the government would continue the reform agenda to usher in the long awaited GST by passing the Constitutional Amendment Bill in the Parliament.

On the government initiative front, the "Make in India scheme", "Smart cities plan", "Jan-Dhan Yojna", "Digital India plan", "Skill Development & Start-up India initiatives", "Power for All", "UDAY", "Housing for All", "Scheme to revitalise public sector banks", "Ease of Doing Business(EoDB) initiative" and other ambitious infrastructure programmes present significant

opportunities for investors to be part of one of the largest development programmes in the world. These programmes are expected to transform not only the cities and the country as a whole, but also the way business is done in India.

As per the World Economic outlook released by the IMF, India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks. India's growth is expected to continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

MEDIA AND ENTERTAINMENT INDUSTRY

The Media and Entertainment industry in India consists of many different segments under its folds such as television, print, films, also smaller segments like radio, music, animation, out of home, gaming, visual effects (VFX) and Internet advertising. This industry in India has registered an explosive growth in last two decades making it one of the fastest growing sectors in India, and also the one with the brightest future. From a single state owned channel, Doordarshan in the 1990s there are more than 1,600 active channels in the country today. This phenomenal growth has been largely fueled by increasing digitisation of traditional media platforms and also higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the Indian people.

According to a recent Report (“KPMG-FICCI Report”) by consulting firm KPMG and lobby group FICCI (Federation of Indian Chambers of Commerce and Industry), the performance of the M&E sector grew by 12.8 per cent from INR1026 billion in 2014 to INR1157 billion in 2015, while overall advertising grew by 14.7 per cent from INR414 billion in 2014 to INR475 billion in 2015. The television sector witnessed strong advertising-led growth at 17% with increase in e-commerce spends. Growth in subscription revenue was slower at 12.8% due to the delay in Phase III of digitisation and further delays in securing on-ground benefits of Phase I and II. Coming off a flat year in 2014, the film industry returned to a healthy growth of 9.3% in 2015 according to the report. It added that the Bollywood film industry was constrained by the slow pace of screen growth and also has been facing increased competition from Hollywood

and regional content. As per the report, at 7.6%, the print industry witnessed a marginal slowdown in 2015 compared to 2014 - an election year. For English language publications, e-commerce stood out as a category in a year of muted growth. Projections with reference to the radio industry are driven by the implementation of Phase 3 of licensing. As per the report, the sector grew at 15.3% in 2015, and is projected to grow at over 16% for the next few years. As Phase III stations become operational, radio may very well become a ‘reach’ medium from a ‘coverage’ medium. The 4G rollout, ‘Digital India’ initiative and private initiatives for broadband Wi-Fi availability at public places is likely to be a significant catalyst for the growth of Over The Top (OTT) services - several of which were launched in 2015, said the report. These digital infrastructure improvements, coupled with the rapid expansion of Smartphone penetration, are critical to the ramp up of OTT. The report says that at present there are concerns around bandwidth constraints, high cost of customer acquisition, dependence on advertisement-led models and high cost of data access.

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance. The Foreign Direct Investment (FDI) inflows in the information and broadcasting (I&B) sector (including print media) in the period April 2000 – September 2015 stood at US\$ 4.28 billion, as per data released by Department of Industrial Policy and Promotion (DIPP). Demand growth, supply advantages and policy support are the key drivers in attracting FDI.

The report also continued to project that the Indian media and entertainment industry is expected to grow at a compounded annual growth rate (CAGR) of 14.3% to touch Rs.2,260 billion by 2020 due to rising consumer demand and improving advertising revenues, with advertising revenues expected to grow at 15.9% to reach Rs.994 billion. Growth for television advertising is projected at a CAGR of 15% between 2015 and 2020, while print media is expected to grow at 8.6%. Meanwhile, digital advertising, which continued its strong run with 38.2% growth over 2014, as the internet user base and data usage increased which in turn resulted in increased spend allocation by marketers, is likely to scale up to Rs 255 billion by 2020 and contribute to 25.7% of total advertising revenues.

The Indian media and entertainment industry: Size

Overall industry size (INR billion) (For calendar years)	2010	2011	2012	2013	2014	2015	Growth in 2015 over 2014
TV	297.0	329.0	370.1	417.2	474.9	542.2	14.2%
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6%
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3%
Radio	10.0	11.5	12.7	14.6	17.2	19.8	15.3%
Music	8.6	9.0	10.6	9.6	9.8	10.8	10.2%
OOH	16.5	17.8	18.2	19.3	22.0	24.4	10.9%
Animation & VFX	23.7	31.0	35.3	39.7	44.9	51.1	13.8%
Gaming	10.0	13.0	15.3	19.2	23.5	26.5	12.8%
Digital Advertising	10.0	15.4	21.7	30.1	43.5	60.1	38.2%
Total	652	728	821	918	1,026	1,157	12.8%

Source: KPMG in India analysis, 2016

The Indian media and entertainment industry: Projections

Overall industry size (INR billion) (For calendar years)	2016P	2017P	2018P	2019P	2020P	CAGR (2015-2020)
TV	617.0	709.6	823.3	956.8	1097.6	15.1%
Print	305.2	329.6	355.9	383.6	412.5	7.8%
Films	158.7	174.1	190.0	207.8	227.3	10.5%
Radio	23.4	28.4	32.7	37.8	43.3	16.9%
Music	12.1	14.0	16.1	18.4	20.6	13.8%
OOH	28.3	31.6	35.4	40.0	45.2	13.1%
Animation & VFX	58.3	67.1	78.1	91.3	108.0	16.1%
Gaming	30.8	34.4	39.0	45.4	50.7	13.9%
Digital Advertising	81.1	113.6	153.3	199.3	255.2	33.5%
Total	1,315	1,502	1,724	1,980	2,260	14.3%

Source: KPMG in India analysis, 2016

TRADITIONAL MEDIA

The Television industry has been in existence for nearly four decades, but it was not until the early nineties when the central government launched a series of economic and social reforms allowing private and foreign broadcasters in India. The Indian Television Industry has been found to be one of the fastest growing

entertainment industries across Asia. Starting with 41 sets in 1962 and one channel, by 1995, TV in India covered more than 70 million homes giving a viewing population of more than 400 million individuals through more than 100 channels. According to the KPMG-FICCI Report in 2015, the number of television households in India increased

to 175 million implying a penetration of 62%, making India the world's second largest television market after China. The number of Cable & Satellite (C&S) subscribers was estimated to have reached 160 million. By 2020 TV households are expected to improve to 200 million, with paid C&S subscriber base expected to grow to 174 million by 2020, representing 87 per cent of TV households. In 2015, The Indian television industry continued its healthy growth rate of more than 14% against 2014, and is estimated at around INR 542 billion according to the KPMG-FICCI report. The Indian television industry is expected to grow at a CAGR of 15 per cent to reach INR 1,098 billion in 2020, due to increase in subscription revenues and strong advertising revenues.

Digitization

The digitisation of the TV distribution industry, initiated in 2011, is yet to achieve its target of addressability and transparency in billing systems, which was expected to yield significant benefits to MSOs (multi system operators) and broadcasters. As MSOs struggle with last mile 'addressability' hurdles for its digitized customer base, the industry's ability to deliver customized/value added content remains restricted. As a result, the expected benefits of higher subscription revenues for MSOs & broadcasters are yet to be achieved. The end consumers are also yet to benefit from targeted subscription packages, which were expected to optimize the user experience.

According to the data provided by distribution platforms to the Ministry of Information and Broadcasting (MIB) showed that in 2015, DTH was ahead of cable TV in terms in seeding of set top boxes (STBs) in phase 3 areas. The report indicates that out of 35.21mn STBs deployed in phase 3 areas, DTH platforms have managed to deploy 24.2mn STBs (~60% share) while MSOs have deployed only 11mn. The report also indicates that until February 2016, only 87% of the TV households were digitised in phase 3 areas. This is because, in these areas, digitisation is delayed due to stay orders by six state high courts (deadline was December 2015).

In 2014, the Ministry of Information & Broadcasting (MIB) extended the deadlines for Phase III and IV of DAS implementation from the earlier combined deadline of December 2014 to December 2015 and December 2016, respectively. Due to these delays, the benefits of digitisation in these phases in terms of improved addressability and Average Revenue Per User (ARPU) are expected to take much longer than anticipated before.

Status of digitisation – December 2015

Phase	Regulatory date for shutdown	No. of C&S subs* (million)	Non-digitised subs (million)	Digitisation including DTH*
Phase I	Jun-12	13	1.2	100% excluding Chennai
Phase II	Mar-13	25	1.2	>95%
Phase III	Dec-15	41	10	~75%
Phase IV	Dec-16	81	52	~35%
Total		160	65	~60%

Source: KPMG in India's analysis 2016 based on data collected from industry discussions *Including DD FreeDish

Movies in Traditional Media

The past couple of years have seen a rationalisation in prices of C&S rights of movies. The steep increase in prices of C&S rights in the past was due to the entry of a number of channels that drove the prices up. Mix of pre-release and post-release deals for C&S rights continued in 2015, with the big banners insisting on signing pre-release deals. The cost of acquisition currently varies from INR 100-200 million for a mid-budget movie to INR 450-600 million for a blockbuster.

The recent success of small budget, niche movies such as Ab Tak Chhappan 2, NH10, Drishyam, and Jazbaa has re-emphasized the importance of content-driven films. These movies are produced on a tight budgets but have a strong content. However, success of such movies has been patchy with many not meeting the expected realisations. The advent of multiplexes to cater to the tastes of target audience is likely to drive the production of many such movies, which is in sync with the portfolio approach adopted of late by studios.

Newer Hindi channel launches are expected to continue. The Hindi movies genre has largely grown on the back of increase in ad inventory through the addition of channels. New channel launches will help in getting increased ad budgets from the advertisers on this genre. Regional markets are expected to grow largely in-line with the national ad markets, contrary to what was seen over the past few years. Regional markets are yet to see the

benefits of ad spends from E-commerce players and this may result in some upside in advertising revenue growth for regional TV channels.

Advertising Spending

In 2015, The television advertising industry witnessed a 17 per cent growth to INR181 billion, in spite of a high base in 2014 due to the general elections, according to the KPMG-FICCI Report, on the back of a strong economy, growing ad spends by e-commerce companies, contribution from cricket events and two important state elections (Delhi and Bihar). Companies in the e-commerce space are said to have spent approximately INR1, 200- 1,400 billion on advertising on TV in 2015, mostly on account of spends by popular sites such as Flipkart, Snapdeal, Jabong, Olx, and Quikr. The benefit of ad spend growth from e-commerce companies was largely seen by TV channels, since the print industry did not witness a significant increase in ad spends from the sector.

Going forward, television advertising in India is expected to grow at a CAGR of 15 per cent between 2015-20, to reach INR365 billion. In 2016, the launch of 4G networks by Reliance Jio and the large incumbent mobile operators – Bharti Airtel, Vodafone and Idea – is expected to boost ad spends on Television as well and is expected to result in higher ad spends by mobile handset companies.

Regulatory Developments

One of the most significant developments in the year was the establishment of a new viewership measurement system by BARC India. The TV audience measurement system BARC India was launched in April 2015, as the sole government registered TV ratings service in India, and as a replacement of the system operated by TAM India. BARC India rolled out its ratings in a phased manner over the year in 2015 and is considered a landmark event for the television industry. BARC will have a phased rollout and will include rural markets and increase the sample size, although advertisers and broadcasters are on the fence before depending on its measurement data hand there has been no immediate impact on ad budget allocations among channels or genres. Going forward, sustained change in ratings trends could lead to advertisers re-thinking their ad spend mix and broadcasters their content strategy.

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitising the cable distribution sector

to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

Furthermore, the Centre has given the go-ahead for licences to 45 new news and entertainment channels in India. Among those who have secured the licenses include established names such as Star, Sony, Viacom and Zee. Presently, there are 350 broadcasters, which cater to 780 channels.

NEW MEDIA

The new media industry shares an open association with many market segments in areas such as television, radio, mobile and particularly movies, advertising and marketing, through which industry seeks to gain from the advantages of two-way dialogue with consumers primarily through the Internet. The television industry has used new media and the Internet to expand their resources for new programming and content.

Internet in India

In 2001, there were approximately 7 million Internet users in India. This number has grown by 25 times in the last 12 years at a compounded rate of over 30 percent y-o-y. Today, more than 40 million Indians are online every day, spending ~40-45 hours over the Internet per month. India is the second largest market for social networking giants such as Facebook and LinkedIn. The internet penetration in India has been growing at a strong pace. As per global sources, as of 1 July, 2016, India had over 400 million internet users, an increase of 31% in a 1 year period.

According to a report by the Boston Consultancy Group and IAMAI, it is estimated that there will be over 500 million Internet users in India by 2018—making India the second largest population of Internet users in the world, primarily due to penetration of internet to small town / rural India, increased affordability due to lower cost data-enabled handsets, and increased awareness and need of the Internet. The impact of this explosion of Internet users will be staggering for a country like India. It is estimated that the Internet economy will grow to over 4 percent of GDP by 2020, comparable to developed markets like the US, EU and Japan. The internet economy is also an employment generation engine. This sector already employs ~4-5 lakh people and is expected to create nearly 15-20 lakh jobs by 2018.

Digital Advertising Spend

According to the KPMG-FICCI Report, Digital advertisement spend outperformed expectations in 2015, growing almost 38.2 per cent over 2014 to reach INR60 billion and is expected to be the fastest growing segment of the media and entertainment sector expecting to cross INR255 billion in 2020. YouTube is currently taking the lion's share of video advertising in India, but other OTT video platforms are also gaining traction. Furthermore, Mobile advertisement spend in 2015 was estimated to be at INR9 billion and is expected to grow at a CAGR of 62.5 per cent to reach INR102.1 billion in 2020.

Digital advertising is expected to continue to be the fastest growing advertising segment for the media industry in the foreseeable future. In the U.K., digital advertising has already outgrown TV advertising, while in the U.S. it is expected that digital advertising is expected to cross this benchmark in the coming year. Currently, in India, digital advertising constitutes about 12.6 per cent of the total advertising market in 2015 and is expected to grow to 26 per cent of the total advertising market by 2020. Increasing second screen consumption, growing mobile internet and device penetration and technology innovations will drive digital advertising growth at a CAGR of 33.5 per cent over the next five years.

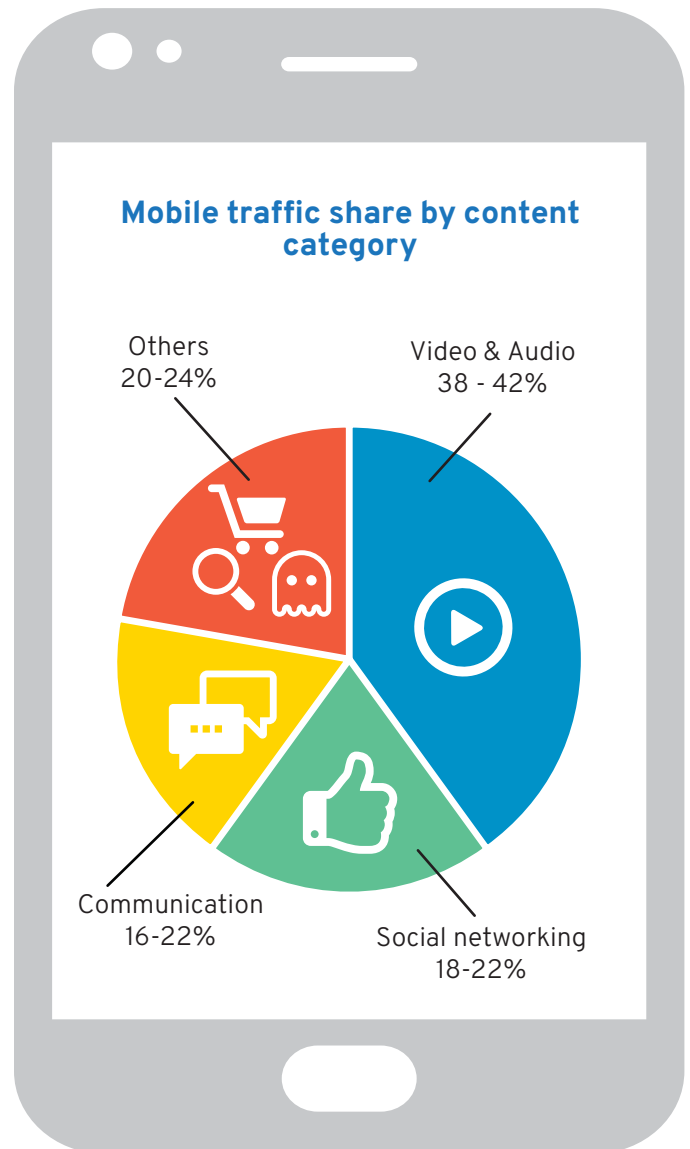
Digital Video:

Access to fast internet and high data charges act as some of the biggest roadblocks for growth of online video consumption. Among, Asia Pacific countries surveyed by Akamai in 2015, India had the lowest average broadband speeds of 2.5 Mbps, with penetration of connections with speeds above 4 Mbps also the lowest at 6.9 per cent

While wire line broadband continues to be a constraint, mobile is paving the way for video consumption. Mobile data traffic grew 50 per cent in 2015, driven by 85 per cent surge in 3G data traffic. This growth is largely on the back of surging consumption of videos, with approximately 40 per cent of mobile data traffic being driven by video and audio consumption. Broader adoption of 4G in 2016 is expected to provide further impetus to video consumption on smartphones and mobile networks. The 4G / LTE device ecosystem is also rapidly advancing, with the average selling price of entry-level LTE devices declining from USD 140 in 2014 to USD 70 in 2015.

Currently, short format videos are driving video consumption on mobiles, with majority of the video

traffic on mobiles coming from short format videos. As per Vuclip's Global Video Insights 2015, 85 per cent of smartphone users view shorter video content with run time of under ten minutes, while only 33 per cent of smartphone users view long format content on smartphones. However, this is expected to change with consumption of long format videos expected to grow as the internet infrastructure gets better and cheaper.



Source: India Mobile Broadband Index 2016, KPMG in India analysis
Sources:

- <http://www.icra.in/Files/ticker/Media%20Digitization,%20September%202015.pdf>
- *The Future: now streaming - KPMG - FICCI Indian Media and Entertainment Industry Report 2016*
- <http://www.ibef.org/industry/media-entertainment-india.aspx>

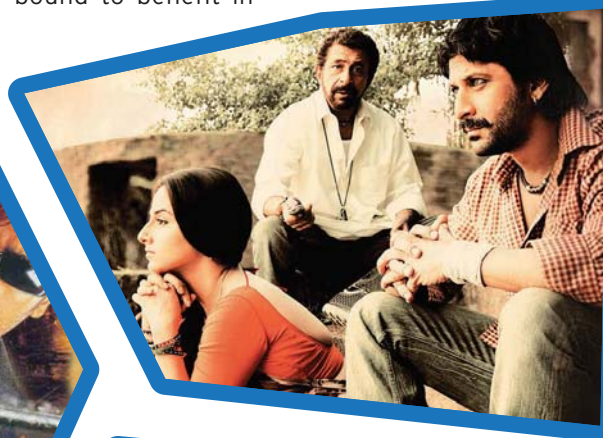
OUTLOOK

The financial year 2015-16 was an important year in many ways for the Media and Entertainment (M&E) industry, which sparked excitement for the future of the sector. The year was marked with several new innovations which has opened a plethora of revenue generation opportunities and increased spending by all media and entertainment companies, all of whom are betting big on the underpenetrated consumer potential, which is India. With increasing television and new media advertisement spending, increased end-user spending and transparency due to digitization, increased penetration of smartphones and new content monetization opportunities, the future of media and entertainment industry in India sure is very bright. What is abundantly clear from the industry trend is that although various platforms like mobile, internet, television etc. will coexist and jointly continue to succeed, their dependence on good quality content will only increase. Here is where your company has strategically over the years created a remarkable and sizable position and reputation. Our investment in good quality content with a clear focus on the desired ROI has continued in the past year and will continue in this financial year as well. The full potential of India's media and entertainment industry has still not been achieved and your company's strategy to continue to invest in good quality content and monetize it through various mediums has over the years created a unique position for us from which we are bound to benefit in coming times.

CAUTIONARY STATEMENT

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

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



BOARD'S REPORT

Dear Members,

Your Directors take pleasure in submitting their 11th Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2016.

1. Financial Results

<i>Particulars</i>	<i>(₹ in Lacs)</i>	
	<i>Current year 2015-2016</i>	<i>Previous year 2014-2015</i>
Revenue from Operations and other income	37,694	32,471
Direct Operational Expenses	31,925	29,272
Changes in inventories of finished goods and work-in-progress	(9,587)	(8,987)
Employee benefit expense	2,269	1,792
Financial Costs	2,283	2,121
Depreciation and amortization expense	370	368
Other expenses	1,823	1,503
Total expenditure	29,082	26,068
Profit Before Taxation	8,612	6,403
Tax Expenses	3,069	2,222
Profit After Taxation	5,543	4,181
Balance brought forward from previous years	1,3081	9,677
Profit available for Appropriation	18,624	13,578
Less: Appropriations		
General Reserve	(139)	(105)
Proposed Dividend	(381)	(326)
Dividend Distribution Tax	(77)	(66)
Balance carried to the Balance Sheet	18,027	13,081

2. Overview of Company's Financial Performance

During the year under review, the Standalone Revenue from Operations & Other Income increased to ₹ 37,694 Lacs as against ₹ 32,471 Lacs in the previous year and the Consolidated Revenue from Operations & Other Income increased to ₹ 37,668 Lacs as compared to ₹ 32,469 Lacs in the previous year.

Your Company had a standalone growth with a Net Profit after-tax of ₹ 5,543 Lacs as compared to the Net Profit after tax of ₹ 4,181 Lacs in the previous financial year and a consolidated growth with a Net Profit after tax of ₹ 5,215 Lacs as compared to the Net Profit after tax of ₹ 4,092 Lacs in the previous financial year.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2015-16 and the date of this Report.

3. Consolidated Financial Statement

The consolidated financial statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013 ("the Act"), applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries and associate companies, as approved by their respective Board of Directors.

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

4. Subsidiaries and Associate Companies

As on March 31, 2016, the Company has 5 subsidiaries and 1 associate company. There has been no change in the nature of business of the subsidiaries / associate, during the year under review.

During the year under review, the following Limited Liability Partnerships (LLPs) were incorporated as a subsidiary of the Company:

- Contentino Media LLP was incorporated on August 25, 2015 with 65% of capital contribution and with an objective to carry on the business of creation, aggregation and distribution of the Content on Airlines, Ships and other transportations across various markets within India & Overseas and providing transfer related technical services.
- Shemaroo Think Tank Entertainment LLP was incorporated on October 12, 2015 with 65% of capital contribution and with an objective to carry on TV Slot business in the Non Prime Time Slots on various channels on an Advertiser Funded Format;

Pursuant to Section 136 of the Act, the financial statements of the subsidiary companies are available for inspection by the shareholders at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM). Shareholders interested in obtaining a copy of the said financial statements may write to the Company Secretary at the Company's registered office. The statements are also available on the website of the Company www.shemarooent.com under Investor Centre section.

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

The Policy for determining Material Subsidiaries, adopted by the Board, pursuant to Regulation 16 of the SEBI Listing Regulations can be accessed on the Company website at www.shemarooent.com under Investor Centre section.

5. Management Discussion and Analysis

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI Listing Regulations, is annexed to this Report.

6. Dividend

Your Directors recommend payment of ₹1.40 per fully paid-up equity shares of ₹10 each (i.e. 14% of the paid-up equity share capital of Company) as final dividend for the financial year 2015-16, for approval of shareholders at the ensuing AGM.

The final dividend on equity shares, if approved by the members would involve a cash outflow on account of ₹458.02 Lacs including dividend distribution tax.

7. Appropriations - Transfer To General Reserve

The Company proposes to transfer an amount of ₹139 Lacs to the General Reserves out of the amount available for appropriation. An amount of ₹ 5,692 Lacs is proposed to be retained in the profit and loss account.

8. Updates on Utilisation of Funds Raised Through Initial Public Offering (IPO) of Equity Shares

During the financial year 2014-2015, your Company had 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 had also offered a discount of 10% (i.e. ₹ 17) to all Retail Individual Bidders. The IPO was subscribed 7.90 times.

During the financial year under review, net issue proceeds of ₹ 12,000 Lacs raised through Initial Public Offering (IPO) of equity shares to fund working capital requirements was fully consumed in consonance with the objects stated in the offer document.

Further, pursuant to Regulation 32 of the SEBI Listing Regulations, there is, (i) no deviation in the use of proceeds from the Objects stated in the offer document / explanatory statement to the notice for the general meeting, and (ii) no variation between the actual utilisation of funds and the projected utilisation of funds made by the Company in the offer document / explanatory statement to the notice for the general meeting.

9. Public Deposits

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

10. 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 in Form MGT 9 is enclosed as Annexure 'A' to the Board's Report.

11. Particulars of Loans Guarantees or Investments

Particulars of loans, guarantees given and investments made during the year as required under Section 186 of the Companies Act, 2013 and Schedule V of the SEBI Listing Regulations are provided in Notes 2.11, 2.12, 2.17 & 2.25 of the Standalone Financial Statements.

12. Credit Rating

During the year under review, CARE, a Rating Agency has reaffirmed its credit rating from CARE A- to CARE A for Long term bank facilities of the Company and India Ratings and Research (Ind –Ra), a Fitch Group Company has also assigned its 'IND A' rating to the same facilities of the Company.

The below table depicts Company's credit ratings profile in a nutshell:

Instrument	Ind –Ra (Fitch)	CARE
Long term bank facilities (1000 million & 450 million)	IND A	CARE A

13. Significant and Material Orders passed by the Regulators / Courts

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.

14. Directors Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:

- in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the year ended March 31, 2016 and of the profit of the Company for that period;
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts for the year ended March 31, 2016 have been prepared on a going concern basis;
- proper internal financial controls to be followed by the Company has been laid down and that such internal controls are adequate and were operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

15. Directors & Key Managerial Personnel

At present your Company's Board of Directors has a 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. Accordingly, the Composition of the Board is in conformity with the SEBI Listing Regulations.

a. Re-appointment of Managing Director / Whole Time Director

During the financial year 2015-16, Mr. Raman Maroo, Mr. Atul Maru and Mr. Hiren Gada were re-appointed as Managing Director, Jt. Managing Director and Whole Time Director respectively, on the Board of Directors of your Company at the 10th AGM held on September 21, 2015 to hold office for a term of 5 (five) consecutive years up to December 31, 2020.

b. Appointment of Women Independent Directors

During the financial year 2015-16, Dr. (CA) Reeta Shah was appointed as Independent Women Director on the Board of Directors of your Company at the 10th AGM held on September 21, 2015 to hold office for a term of 5 (five) consecutive years up to March 27, 2020.

c. Retire by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and applicable rules thereto, Mr. Hiren Gada (DIN 01108194) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

d. Key Managerial Personnel

During the year under review, following Key Managerial Personnel's (KMP) were re-designated with the approval of the Nomination and Remuneration Committee:

- Ms. Smita Maroo – Sr. VP - Animation, Kids Digital, L&M
- Ms. Kranti Gada – Sr. VP - New Business Development
- Mr. Vinod Karani – EVP - Broadcast Syndication & Acquisition
- Mr. Hemant Karani – Sr. VP - Studio
- Mr. Ketan Maru – Sr. VP - Film Production

vi. Mr. Bipin Dharod – Sr. VP - Physical Sales & Distribution

vii. Mr. Harakhchand Gada– Sr. VP – Accounts

e. **Number of meetings of the Board**

The Board of Directors met 4 (four) times in the financial year 2015-2016. The maximum interval between any two meetings did not exceed 120 days. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this report.

f. **Composition of an Audit Committee**

The Board has constituted the Audit Committee which comprises of Mr. Gnanesh Gala as the Chairman and Mr. Kirit Gala and Mr. Hiren Gada as members. More details on the committee are given in the Corporate Governance Report.

g. **Board Independence**

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

h. **Annual Performance Evaluation**

In compliance with the Act and Regulation 17 of the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance as well as of its Committees and Individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

A structured questionnaire was prepared, covering various aspects of the functioning of the Board, such as, adequacy of the constitution and composition of the Board, time devoted by the Board to Company's strategic issues, quality and transparency of Board discussions, timeliness of the information flow between Board members and management, etc.

Committee performance was evaluated on the basis of their effectiveness in carrying out respective mandates. Director's performance was evaluated based on parameters, such as, participation and contribution, knowledge and experience in understanding of relevant areas and leadership qualities, etc

On the basis of performance evaluation, the Board and Nomination Remuneration Committee expressed their satisfaction with

the performance of the Board, Committee and Individual Directors.

i. **Familiarisation of Independent Directors**

The familiarization programme aims to familiarize Independent Directors with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model, significant developments so as to enable them to take well informed decisions in a timely manner etc.

The policy on Company's familiarization programme for Independent Directors is put up on the website of the Company at www.shemarooent.com under Investor Center section.

j. **Remuneration Policy**

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

16. Auditors and Auditors Report

a. **Statutory Auditors**

M/s. M. K. Dandeker & Co., Chartered Accountants (ICAI Firm Registration No. 000679S), the Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and eligible for re-appointment as per Section 139 of the Companies Act, 2013

M/s. M. K. Dandeker & Co have expressed their willingness to get re-appointed as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013, and the rules framed there under. In terms of the SEBI Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s. M. K. Dandeker & Co as the Statutory Auditors of the Company for a term of 5 years from the conclusion of the 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting in the calendar year 2021.

The members are requested to appoint M/s. M. K. Dandeker & Co, Chartered Accountants as Statutory Auditors and to authorise the Board to fix their remuneration.

There are no observations (including any qualifications, reservations or adverse remarks or disclaimers) of the Statutory Auditors in their report that may call for any explanation from the Directors. Further, Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

b. Secretarial Auditors

M/s. Manish Ghia & Associates, Practicing Company Secretary, were appointed as Secretarial Auditors of the Company for the financial year 2015-16 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached and forms part of this report.

There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2015-16 which call for any explanation from the Board of Directors.

17. Related Party Contracts or Arrangements

All related party transactions are placed before the Audit Committee for their prior approval and the details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

All contracts / arrangements / transactions with related parties that were executed in financial year 2015-2016 were in the ordinary course of business and at an arms' length. During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. Accordingly, there are no transactions that are required to be reported in Form AOC 2. All related party transactions are mentioned in the notes to the accounts.

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

18. Managerial Remuneration and Particulars of Employees

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

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, in terms of Section 136 of the Act, the Annual Report and Accounts are being sent to the members and other entitled thereto, excluding the aforesaid information. The said information is available for inspection by members at the Registered Office of the Company during working hours for a period of 21 days before the ensuing Annual General Meeting and shall be made available to any shareholder on request.

19. Internal Control System and Compliance Framework

According to Section 134(5) of the Act the term Internal Financial Control means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

In this regards, Company has appointed M/s Gawande & Associates, Chartered Accountants, as Internal Auditors of the Company. The Internal Auditors independently evaluate the adequacy of internal controls and significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-2016.

20. Risk Management Policy

Pursuant to the provisions of Section 134 of the Act and Regulation 17 of the SEBI Listing Regulations, your Company has adopted the policy and procedures with regard to risk management. The Company has implemented a Business Risk Management Policy which lays down the framework to identify business risks at both Corporate level and at Business Segment level. The policy ensures timely identification of risks, assessment and evaluation of the same in line with overall business objectives and defines adequate mitigation strategy.

In terms of Regulation 21 of the SEBI Listing Regulations, the Constitution of Risk Management Committee was not applicable during the financial year 2015-2016.

21. Whistle Blower Policy/Vigil Mechanism

The Company has a vigil mechanism to report concerns about unethical behaviour, actual / suspected frauds, malpractices, wrongful conduct within the Company. Protected disclosures can be made by a whistle blower through several channels.

The Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Act and SEBI Listing Regulations and details of the Whistle Blower Policy are available on the website of the Company at www.shemarooent.com under Investor Center section.

22. Transfer of Unclaimed Dividend / Share Application money due for refund to IEPF

Pursuant to the provisions of Section 205C of the Companies Act, 1956, Companies are required to transfer unclaimed / unpaid dividend, share application money due for refund, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable etc., remaining unclaimed / unpaid for a period of seven years from the due date of their payment to Investor Education and Protection Fund (IEPF) established by the Central Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after such transfer. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF. The details of unclaimed dividend / application money as on March 31, 2016 are as follows:

Sr. No.	Particular	Date of declaration	Due date for transfer to IEPF
1	Unclaimed Final Dividend for FY 2014-2015	21.09.2015	28.10.2022
2	Unclaimed Application Money	27.09.2014	27.09.2021

23. Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India.

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

Listing Regulations is annexed and forms part of this Annual Report.

24. Conservation of Energy and Technology Absorption and Foreign Exchange

Particulars relating to conservation of energy and technology absorption stipulated under Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 are not applicable as the Company does not have manufacturing operations and company consumes power to the extent required in administrative functions.

1. Conservation of Energy

Your Company has undertaken several initiatives in the conservation of energy which are as follows:

- Advocated switching off of lights and ACs when not required, turning off of PCs when not in use, setting higher temperatures on air conditioners etc. to reduce consumption.
- Put controls on usage of Lifts, Air Conditioners, Common Passage lights and other electrical equipments.
- Changing of lights to energy efficient LED.
- Regular monitoring of temperature inside the buildings and controlling the air-conditioning system.

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 activity in which the Company is engaged does not involve any specialized or innovative technology. However, your Company, in its endeavour to obtain and deliver the best, adopts the best technology in the field, upgrades itself continuously.

The Company is predominantly a service provider and therefore has not set up a formal R&D unit, however continuous research and development is carried out at to upgrade and modernize its processes by adopting latest technology developments in the field.

3. Foreign Exchange Earnings & Outgo

Details of foreign exchange earnings and outgo during the year are given in Note 2.27 and 2.29 of the Financial Statements forming part of Annual Report.

25. Human Resources

The Company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. Employees are our most valuable asset and your Company places the engagement, development

and retention of talent as its highest priority, to enable achievement of organisational vision. With their skills and achievements, the Company is driving a culture of innovation, sustained growth and profitability for the Company. We are committed to creating a transparent organisation that helps our employees enhance their skills and enable them to deliver superior performance. Company believes in fostering equal employment opportunities, where employees are selected on the basis of their merits and abilities and are treated fairly without any discrimination on the grounds of gender, race, colour, nationality, religion, etc.

Company's senior management team was strengthened through hiring of leaders in strategic roles. With utmost respect to human values, the Company served its human resources with integrity, through a variety of services by using appropriate training, motivation techniques and employee welfare activities. The total employee strength at the end of financial year 2015-16 is 395.

During the year under review, no complaints were received in regards to Sexual Harassment of Women at Workplace.

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

26. Corporate Social Responsibility - Social Commitments

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The role of the Committee is to monitor the CSR Policy, indicate activities to be undertaken towards CSR and implementation of the same from time to time

As a responsible corporate citizen, the Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. This year, the Company has contributed towards society through undertaking social welfare and environment friendly initiatives by spending 88% of the prescribed CSR amount towards CSR activities. The rest of the budgeted CSR amount will be spent on the long term multiyear projects to be decided by the CSR Committee in the subsequent year. The Company is committed to increase its CSR impact and spend over the coming years by actively engaging with the NGOs to execute the said events or projects and programs and incur expenditure in accordance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year 2015-16 is attached as Annexure 'C' to this

Report and contents of the CSR policy is available on our website at www.shemarooent.com under Investor Center section.

27. Cautionary Statement

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

28. Acknowledgement

Your Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State governments and their departments and the local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the continued assistance and co-operation received from customers, shareholders, suppliers, business partners / associates, 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.

The Directors also acknowledge the unstinted commitment and dedication of its employees across all levels who have contributed to the growth and sustained success 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
May 06, 2016

Form No. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2016

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

I REGISTRATION & OTHER DETAILS:

a.	CIN	L67190MH2005PLC158288
b.	Registration Date	December 23, 2005
c.	Name of the Company	Shemaroo Entertainment Limited
d.	Category/Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
e.	Address of the Registered office & contact details	Shemaroo House, Plot No. 18, Marol Co-op Industrial Estate, Andheri Kurla Road, Andheri (E), Mumbai – 400 059. Tel no.: +91-22- 40319911; Fax: +91-22-40319794
f.	Whether listed company	Yes
g.	Name, Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Pvt. Ltd. Unit: Shemaroo Entertainment Limited C-13, Pannalal Silk Mills Compound, Lal BahadurShastri 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 shall be stated :

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Motion picture, video and television programme distribution activities	5913	97.92%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of the Companies Act, 2013
1	Shemaroo Films Private Limited Shemaroo House, Plot No. 18, Marol Co-Op. Industrial Estate, Off Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	U22130MH2012PTC237345	Subsidiary	100	2(87)(ii)
2	Shemaroo Entertainment (UK) Pvt. Ltd. 3rd Floor, Paternoster House, 65, St Pauls's Churchyard, London – EC4M 8AB, United Kingdom	NA	Subsidiary	100	2(87)(ii)
3	Shemaroo Entertainment Inc. (USA) 29 Meadow Bluff Road, Morris Plains, NJ -07950	NA	Subsidiary	100	2(87)(ii)
4	Vistaas Digital Media Private Limited 634/635, IJMIMA Complex, Raheja Metroplex, Off. Link Road, Malad (West), Mumbai – 400 064.	U64203MH2009PTC195876	Associate	50	2(6)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakhs	1126946	1	1126947	4.15	1742629	1	1742630	6.41	2.26
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	941326	101272	1042598	3.84	1080109	101272	1181381	4.35	0.51
(c)	Others									
(i)	Directors / Relative	50636	0	50636	0.18	50636	0	50636	0.18	0.00
(ii)	Trusts	0	101264	101264	0.37	0	101264	101264	0.37	0.00
(iii)	Hindu Undivided Family	0	0	0	0.00	152733	0	152733	0.56	0.56
(iv)	Clearing Member	85892	0	85892	0.32	65974	0	65974	0.24	(0.08)
(v)	Office Bearers	336400	0	336400	1.24	316400	0	316400	1.16	(0.08)
(vi)	Non Resident Indians	290163	0	290163	1.06	304929	0	304929	1.12	(0.06)
(vii)	Foreign Portfolio Investor (Corporate)	274000	0	274000	1.01	391161	0	391161	1.44	0.43
	SUB TOTAL (B)(2):	4518082	303809	4821891	17.74	5634662	303809	5938471	21.84	4.10
	Total Public Shareholding (B)= (B)(1)+(B)(2)	8986510	303809	9290319	34.18	8986510	303809	9290319	34.18	0.00
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	26878430	303809	27182239	100.00	26878430	303809	27182239	100.00	0.00

(ii) Share holding of Promoters (including Promoter group)

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Buddhichand Maroo	3575320	13.15	0	3575320	13.15	0	0.00
2	Raman Maroo	4809520	17.69	0	4809520	17.69	0	0.00
3	Atul Maru	4809520	17.69	0	4809520	17.69	0	0.00
4	Hiren Gada	1640520	6.04	0	1640520	6.04	0	0.00
5	Jai Maroo	1234200	4.54	0	1234200	4.54	0	0.00
6	Technology and Media Group Pte Limited	1822840	6.71	0	1822840	6.71	0	0.00
	Total	17891920	65.82%	0	17891920	65.82%	0	0.00

(iii) Change in Promoters' (including Promoter Group) Shareholding (Please specify, if there is no change)

There was no change in the Promoter's shareholding during the Financial Year 2015-2016.

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

Sr. No	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase / Decrease in Shareholding during the year		Reason	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	2340000	8.6086	01/04/2015			2340000	8.6086
				22/05/2015	(240000)	Sale	2100000	7.7256
				04/12/2015	274000	Purchase	2374000	8.7336
		2374000	8.7336	31/03/2016				

Sr. No	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No of shares	% of total shares of the company
2	TATA INVESTMENT CORPORATION LIMITED	300000	1.1037	01/04/2015			300000	1.1037
				26/02/2016	17175	Purchase	317175	1.1668
				04/03/2016	82825	Purchase	400000	1.4715
		400000	1.4715	31/03/2016				
3	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE EMERGING LEADERS FUND-SERIES 3	731590	2.6914	01/4/2015			731590	2.6914
				15/05/2015	(47600)	Sale	683990	2.5163
				22/05/2015	(195315)	Sale	488675	1.7978
				05/06/2015	(40000)	Sale	448675	1.6506
				12/06/2015	(1400)	Sale	447275	1.6455
				24/07/2015	(77800)	Sale	369475	1.3593
				31/07/2015	(34256)	Sale	335219	1.2332
				07/08/2015	636	Purchase	335855	1.2356
				14/08/2015	6000	Purchase	341855	1.2576
				21/08/2015	9400	Purchase	351255	1.2922
				28/08/2015	(11000)	Sale	340255	1.2518
				15/01/2016	(31000)	Sale	309255	1.1377
		309255	1.1377	31/03/2016				
4	JAI-VIJAY RESOURCES PVT LTD	260000	0.9565	01/04/2015			260000	0.9565
				09/10/2015	(15000)	Sale	245000	0.9013
		245000	0.9013	31/03/2016				
5	GAM STAR INDIA EQUITY	0	0.00	01/04/2015			0	0.00
				22/05/2015	240000	Purchase	240000	0.8829
		240000	0.8829	31/03/2016				
6	SNEHAL BHUPENDRA SHAH	40000	0.1472	01/04/2015			40000	0.1472
				15/05/2015	60000	Purchase	100000	0.3679
				24/07/2015	5000	Purchase	105000	0.3863
				07/08/2015	40000	Purchase	145000	0.5334
				06/11/2015	5000	Purchase	150000	0.5518
				27/11/2015	20000	Purchase	170000	0.6254
				04/12/2015	15000	Purchase	185000	0.6806
				11/12/2015	10000	Purchase	195000	0.7174
		195000	0.7174	31/03/2016				
7	FIDELITY ASIAN VALUES PLC	0	0.00	01/04/2015			0	0.00
				16/10/2015	3285	Purchase	3285	0.0121
				23/10/2015	47241	Purchase	50526	0.1859
				30/10/2015	1960	Purchase	52486	0.1931
				06/11/2015	10901	Purchase	63387	0.2332
				13/11/2015	5256	Purchase	68643	0.2525
				20/11/2015	30606	Purchase	99249	0.3651
				27/11/2015	43945	Purchase	143194	0.5268
				04/12/2015	3359	Purchase	146553	0.5391
				12/02/2016	14623	Purchase	161176	0.5929
				19/02/2016	6286	Purchase	167462	0.6161
		167462	0.6161	31/03/2016				

Sr. No	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No of shares	% of total shares of the company
8	AKASH BHANSHALI	200000	0.7358	01/04/2015			200000	0.7358
				15/01/2016	(25918)	Sale	174082	0.6404
				29/01/2016	(8695)	Sale	165387	0.6084
				31/03/2016				
		165387	0.6084					
9	NEW HORIZON WEALTH MANAGEMENT PVT. LTD	0	0.00	01/04/2015				
				17/04/2015	160000	Purchase	160000	0.5886
				31/03/2016				
		160000	0.5886					
10	JAYESH ARVIND PAREKH	153308	0.5640	01/04/2015			153308	0.5640
				31/03/2016				
		153308	0.5640					

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 27182239 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors & KMP

There was no change in the Director's & KMP's shareholding during the Financial Year 2015-2016, except as follows:

Sr. No	Name of the Shareholders	Shareholding at the beginning & end of the year		Date wise Increase / Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No of shares	% of total shares of the company
1	Bipin Dharod	41040	0.15	01/4/2015			41040	0.15
				18/11/2015	(20000)	Sale	21040	0.08
				31/03/2016				
		21040	0.08					

V INDEBTEDNESS

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

(₹ in Lacs)

PARTICULARS	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2015)				
i) Principal Amount	6,721.38	6,982.74	-	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)	6,721.38	7,003.62	-	13,725.00
Change in Indebtedness during the financial year				
• Addition	5,954.50	3,593.54	-	9,548.04
• Reduction	480.48	1,553.41	-	2,033.89
Net Change	5,474.02	2,040.13	-	7,514.14
Indebtedness at the end of the financial year (As on 31.03.2016)				
i) Principal Amount	12,195.40	9,043.75	-	21,239.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	12,195.40	9,043.75	-	21,239.15

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Raman Maroo	Atul Maru	Hiren Gada	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	41.05	41.05	31.18	113.28
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.40	0.40	0.40	1.19
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
5	Others	0.22	0.22	0.22	0.65
TOTAL (A)		41.66	41.66	31.79	115.11
Ceiling as per Section 198 of the Companies Act, 2013		₹ 872.74 Lacs (being 10% of Net Profits of the Company)			

B. Remuneration to other directors:

(₹ in Lacs)

Sr. No	Particulars of Remuneration	Fee for attending board meetings	Commission	Others	Total Amount
1	Independent Directors				
	Gnanesh Gala \$	-	-	-	-
	Kirit Gala \$	-	-	-	-
	Reeta Shah	0.80	-	-	0.80
	Shashidhar Sinha	0.40	-	-	0.40
	Vasanji Mamania	0.60	-	-	0.60
	Total (1)	1.80	-	-	1.80
2	Other Non Executive Directors				
	Buddhichand Maroo	0.60	-	-	0.60
	Jai Maroo	0.80	-	-	0.80
	Total (2)	1.40	-	-	1.40
	Total (B)=(1+2)	3.20	-	-	3.20
Ceiling as per Section 198 of the Companies Act, 2013		₹ 87.27 Lacs (being 1% of Net Profits of the Company)			

Note:

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

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

(₹ in Lacs)

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.	54.18	84.00	35.24	24.19	29.36	18.50	28.52	17.12	3.93	295.04
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	1.70	0.40	0.40	0.40	-	0.40	-	0.40	4.08
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-	-	-	-
5	Others, please specify	0.63	0.73	0.60	0.56	0.53	0.62	0.91	0.62	0.30	5.50
	Total	55.20	86.44	36.23	25.15	30.28	19.12	29.83	17.74	4.63	304.62

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

Annexure B

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

A. Ratio of remuneration of each Director to the median remuneration of all the employees and Details of percentage increase in the remuneration of each Director and CFO & Company Secretary for the financial year 2015-16 is as follows:

(₹ in lacs)

Sr. No.	Name of Director	Total Remuneration for financial year 2015-16 ^	% increase in Remuneration in the Financial Year 2015-16 ^	Ratio of remuneration of each Director to median remuneration of employees ^
1	Mr. Buddhichand Maroo Chairman & Non-Executive Director	Nil	Nil	Nil
2	Mr. Raman Maroo Managing Director	41.66	(1.26)	13.05
3	Mr. Atul Maru Joint Managing Director	41.66	(1.26)	13.05
4	Mr. Hiren Gada Whole Time Director & Chief Financial Officer	31.79	(1.24)	9.97
5	Mr. Jai Maroo Non-Executive Director	Nil	Nil	Nil
6	Mr. Gnanesh Gala Independent Director	Nil	Nil	Nil
7	Mr. Kirit Gala Independent Director	Nil	Nil	Nil
8	Mr. VasANJI MamanIA Independent Director	Nil	Nil	Nil
9	Mr. Shashidhar Sinha Independent Director	Nil	Nil	Nil
10	Dr. Reeta Shah (CA) Independent Director	Nil	Nil	Nil
11	Mr. Ankit Singh Company Secretary & Compliance Officer	19.12	18.91	Not Applicable

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

B. The median remuneration of employees of the Company during the financial year was ₹ 3,18,801.

C. The percentage increase in the median remuneration of Employees for the financial year was 3.09%.

D. There were 395 permanent employees on the rolls of Company as on March 31, 2016.

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

The Profit before Tax for the financial year ended March 31, 2016 increased by 34.50 % whereas the increase in median remuneration was 3.09 %. The average increase in median remuneration was in line with the performance of the Company.

Your Company offers competitive compensation to its employees. Average increase in the remuneration is guided by various factors such as inflation, normal salary revision, talent retention and other external factors. Salary increases during the year were in line with your Company's performance as well as per Company's market competitiveness.

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

The total remuneration of Key Managerial Personnel increased by 39.57 % from ₹ 239.48 lacs in 2014-15 to ₹ 334.25 lacs in 2015-16, whereas the Profit before Tax increased by 34.50 % to ₹ 8611.53 Lacs in 2015-16 compared to ₹ 6402.63 Lacs in 2014-15.

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:

(₹ in lacs)

	As on March 31, 2016	As on March 31, 2015
Price Earnings Ratio	14.57	10.34
Market Capitalisation (₹ Cr)	₹ 80758.43	₹ 49852.22

Comparison of share price at the time of last public offer and market price of the share on March 31, 2016:

Market Price as on March 31, 2016*	₹ 297.10
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	74.76 %

* 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 2015-16	Comparison of the Remuneration of each KMP against the performance of the Company	
			Comparison with Profit before Tax of ₹8611.53 (%)	Comparison with Profit After Tax of ₹5542.82 (%)
1.	Mr. Raman Maroo	41.66	0.4838	0.7516
2.	Mr. Atul Maru	41.66	0.4838	0.7516
3.	Mr. Hiren Gada	31.79	0.3692	0.5735
4.	Mr. Vinod Karani	86.44	1.0038	1.5595
5.	Mr. Hemant Karani	55.20	0.6410	0.9959
6.	Mr. Harakhchand Gada	25.15	0.2921	0.4537
7.	Mr. Bipin Dharod	30.28	0.3516	0.5463
8.	Mr. Ketan Maru	36.23	0.4207	0.6536
9.	Mr. Smita Maroo	29.83	0.3464	0.5382
10.	Ms. Kranti Gada	17.74	0.2060	0.3201
11.	Ms. Mansi Maroo	4.63	0.0538	0.0835
12.	Mr. Ankit Singh	19.12	0.2220	0.3450

I. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the salaries of employees other than Managerial Personnel is 29.21% while percentile increase in the Managerial Remuneration is 37.60%. Average increase in the remuneration of the employees 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.

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. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

During the financial year ended March 31, 2016, 3 directors were executive director and 7 were non-executive directors of the Company. Details of remuneration paid to Directors during the year are mentioned in Corporate Governance Report. The ratio of remuneration of the highest paid director to the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year is in the range from 2.07 to 2.12

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**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR THE FINANCIAL YEAR 2015-16**

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.	As outlined in CSR policy, our focus areas are: 1. Education: To provide facilities for primary education among children and impart skills training to the differently abled. Rewarding meritorious students with scholarships for higher studies 2. Rural Transformation: To assist in promoting gender equality and measures for reducing inequalities. 3. Health Care: Promoting preventive health care, facilitating health camps and creating awareness focusing water and sanitation. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Companies website and the web link for the same is www.shemarooent.com
2	The Composition of the CSR Committee	1. Mr. Atul Maru (Chairman and Jt. Managing Director) 2. Mr. Hiren Gada (Member and Whole Time Director & CFO) 3. Mr. Vasanji Mamania (Member and Independent Director)
3	Average net profit of the company for last three financial years	₹ 4866.59 Lacs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 97.33 Lacs
5	Details of CSR spent during the financial year: A. Total amount to be spent for the F.Y. B. Amount unspent, if any; C. Manner in which the amount spent during the financial year	₹ 97.33 Lacs ₹ 12.19 Lacs Attached
6	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of your Company.

Raman Maroo
(DIN : 00169152)
Managing Director

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

May 6, 2016
Mumbai

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

(₹ in Lacs)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs other 1. Local Area or 2. Specify the state where project was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or (2) Overhead	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through implementing agency*
1	School Support Programs like providing benches & desks, potable water facility, providing scholarships, vocational training, and promoting education to girl child & also to differently abled.	Improving & Promoting Quality Education	Mumbai (Maharashtra), Mandavi (Kutch), Ahmedabad (Gujarat)	39.95	39.95	39.95	Indirect
2	Health awareness camp - for organising Blood Donation camp, health check-up for poor people, providing free medicines, drinking water supply, supplementing efforts of hospitals through a range of patient welfare services, infrastructure support for cancer diagnosis, aiding medical research & construction of sanitary facilities viz., toilets, etc.	Health care, Hygiene & Medical Facilities	Ahmednagar (Maharashtra), Mumbai (Maharashtra), Ahmedabad (Gujarat), Bhuj	27.33	27.33	27.33	Indirect
3	Promoting gender equality, empowering women, support to old age homes, orphanages, addressing poverty, hunger and malnutrition, support to rural cultural programmes, Festivals & Melas.	Rural Transformation & Protection of natural heritage, art & culture	Mumbai (Maharashtra), Melattur (Tamil Nadu), Bhuj, Gujarat	16.61	16.61	16.61	Indirect
4	Animal Vaccination and Treatment; Breed improvement; Milk productivity improvement programmes and Trainings	Animal Welfare	Mandavi (Kutch)	1.25	1.25	1.25	Indirect

*** Details of implementing agency:**

1. Abdesa Kachchh Gaushala Trust, 2. Aeren Foundation Trust, 3. Bhartiya Vidya Bhavan, 4. SMT. Kamla Mehta Dadar School For The Blind, 5. Kutch Yuvak Sangh (Mumbai), 6. Kutchi Jain Foundation, 7. LNM Group Lions Hospital & Research Centre, 8. Matushree Vimlaben Champaklal Khetani Parivar Foundation, 9. Matushri Manibai Shivji Devjee Kanya Kelavani Fund, 10. Pravara Medical Trust, 11. Sheth Dhanji Devshi K.V.O. Kelavani Fund, 12. Shir Kalyanji Thakershi & Sons Jain Vidya Niketan, 13. Shree Jalaram Charitable Trust, 14. Shree K.V.O. Jain Mahajan Mumbai, 15. Shree Kutchi Jain Seva Samaj-Ahmedabad, 16. Shri Andheri Kutchi Visa Oswal Seva Samaj, 17. Sri Lakshmi Narasimha Jayanti Bhagavata Mela Natya N. Sangam, 18. Vivekgram.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of governance

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

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

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

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

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

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

The Securities and Exchange Board of India ("SEBI") notified the (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulation") vide notification no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 with an aim to provide ease of reference by consolidating into one single document across various types of securities listed on the Stock exchanges. The SEBI Listing Regulations were effective from December 01, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 months from the effective date. Your Company has entered into Listing Agreement

with BSE Limited and the National Stock Exchange of India Limited during the month of February, 2016.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI Listing Regulation (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges).

2. The Board of Directors

a. Composition of Board

Company has a balanced Board of Director's with combination of Executive and Non-Executive Directors, having an optimal mix of professionalism, knowledge and experience in business and finance which enhances the quality of the Board's decision making process.

Composition of the Board as at the close of March 31, 2016:

Category of Directors	No. of Directors	% to total no. of Directors
Executive Directors / Promoter Directors	2	20
Other Executive Director	1	10
Non – Executive Independent Directors	5	50
Non – Executive Non-Independent Directors	2	20
TOTAL	10	100

The composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013 ("the Act"), as amended from time to time. The Board of Directors is chaired by a Non-Executive Non-Independent Director, who is related to Promoter and accordingly, Half (½) of the Board consists of Independent Directors.

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.

b. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2016:

Name of the Director(s)	Shares Held (Nos.)
Mr. Buddhichand Maroo	3575320
Mr. Jai Maroo	1234200
Mr. Vasanji Mamanja	50636

c. Board Independence:

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

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

d. Board Meetings

The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. During the financial year 2015-16, Four (4) Board meetings were held on May 06, 2015, July 30, 2015, November 03, 2015 and January 22, 2016. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

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

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

Name of Director	No. of Board Meeting attended during 2015-2016	Attendance at last AGM	Directorship in other Companies(#)	No. of Committee positions (@)	
				Chairmanships	Memberships
Mr. Buddhichand Maroo	3	YES	NIL	NIL	NIL
Mr. Raman Maroo	4	YES	1	1	NIL
Mr. Atul Maru	4	YES	NIL	1	1
Mr. Hiren Gada	4	YES	NIL	NIL	2
Mr. Jai Maroo	4	YES	NIL	NIL	1
Mr. Kirit Gala	4	NO	NIL	NIL	1
Mr. Gnanesh Gala	4	YES	1	1	1
Mr. VasANJI Mamania	3	YES	NIL	1	2
Mr. Shashidhar Sinha	2	NO	1	NIL	2
Dr. Reeta Shah (CA)	4	YES	NIL	1	NIL

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

@ In accordance with Regulation 26 of the SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

e. Board Procedure:

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

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

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

f. Separate Independent Directors' Meetings:

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on January 22, 2016, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the Meeting, the Independent Director reviewed the performance of the Chairman, Managing Director and other Non-Independent Directors, evaluate performance of the Board and reviewed flow of information between the management and the Board.

g. Familiarization programmes:

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

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

h. Board Evaluation

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

3. COMMITTEES OF THE BOARD

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

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

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

A. Audit Committee**i. Composition and Attendance at the Meeting**

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

The Audit Committee met four (4) times during the year under review. The Committee Meetings were held on the following dates— May 06, 2015, July 30, 2015, November 03, 2015 and January 22, 2016.

The Composition and attendance at the Meetings was as under:

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

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 21, 2015.

ii. General

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

The Company Secretary of the Company acts as the secretary to the Audit Committee.

iii. Powers of Audit Committee

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

iv. Role of the Audit Committee

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

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommending the appointment and removal of statutory auditors, fixation of audit fee and approval for payment of any other services
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Calling for comments of the auditors about internal control systems, scope of audit (including observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and/or statutory auditors and management of the company.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism / Vigil Mechanism.
- Approval of appointment of CFO (i.e., the WholeTime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.
- Reviewing the following information:
 1. The Management, Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by the management;
 3. Management Letters/Letters of internal control weaknesses issued by statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to the review by the Audit Committee.

6. Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulation 32(7).

B. Nomination and Remuneration Committee

i. Composition and Attendance at the Meeting

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

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee Meetings were held on the following dates– May 06, 2015, June 15, 2015 and January 22, 2016. The attendance of the members was as under:-

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

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 21, 2015.

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.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

ii. Nomination & Remuneration Policy

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

• Board Membership Criteria

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

The criteria for appointment to the Board include:

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

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

- **Performance Evaluation**

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

- **Remuneration framework**

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

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

iii. Details of Remuneration

The details of remuneration paid to Executive Directors and to Non-Executive Directors for the Financial Year ended March 31, 2016 is provided hereinafter:

a. Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2016:

(₹ in lacs)

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	TOTAL
Mr. Raman Maroo	41.05	Nil	Nil	0.40	41.45
Mr. Atul Maru	41.05	Nil	Nil	0.40	41.45
Mr. Hiren Gada	31.18	Nil	Nil	0.40	31.58

b. Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2016:

Name	Sitting Fees for attending Board Meeting
Mr. Buddhichand Maroo	₹60,000
Mr. Jai Maroo	₹80,000
Mr. Vasanji Mamania	₹60,000
Mr. Gnanesh Gala *	Nil
Mr. Kirit Gala*	Nil
Mr. Shashidhar Sinha	₹40,000
Dr. Reeta Shah (CA)	₹80,000
TOTAL	₹3,20,000

Note:

1. Mr. Raman Maroo was appointed as Managing Director for a period of 5 years w.e.f. January 01, 2016 vide its Ordinary Resolution passed in its 10th Annual General Meeting dated September 21, 2015.
2. Mr. Atul Maru was appointed as Jt. Managing Director for a period of 5 years w.e.f. January 01, 2016 vide its Ordinary Resolution passed in its 10th Annual General Meeting dated September 21, 2015.
3. Mr. Hiren Gada was appointed as Whole Time Director for a period of 5 years w.e.f. January 01, 2016 vide its Ordinary Resolution passed in its 10th Annual General Meeting dated September 21, 2015.
4. No commission was paid to the Non-Executive Directors during the financial year March 31, 2016.
5. *No sitting fees was paid to Mr. Gnanesh Gala and Kirit Gala, Independent Directors, who have decided not to accept any sitting fees for attending meetings of the Board.
6. Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non-executive Directors.
7. No Severance Fee is payable and no stock option has been given.

C. Stakeholders Relationship Committee

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

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

i. Composition and Attendance at the Meeting

The Stakeholders Relationship Committee comprises of the members as stated below. The Committee met one (1) time during the year under review. The Committee Meeting was held on May 06, 2015.

The attendance at the Meetings was as under:

Sr.	Name of the Member	Designation	Category	No. of meetings held	
				Held	Attended
1.	Dr. (CA) Reeta Shah	Chairman	Independent Director	1	1
2.	Mr. Shashidhar Sinha	Member	Independent Director	1	0
3.	Mr. Atul Maru	Member	Executive Director	1	1

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 21, 2015.

ii. Compliance Officer:

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

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

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

iv. Investor Grievance Redressal

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

Type of Complaints	Number of Complaints
Non – receipt of Annual Reports	NIL
Non – receipt of Dividend Warrants	2
Non – Receipt of Shares lodged for Transfer	NIL
Non – receipt of IPO application money	83
TOTAL	85

As on March 31, 2016, no complaints were outstanding.

D. Corporate Social Responsibility Committee

i. Composition and Attendance at the Meeting

The Company has constituted a CSR Committee as required under Section 135 of the Act. The CSR Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2016 met twice on May 06, 2015 and November 03, 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

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

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- To recommend the amount of expenditure to be incurred on the CSR activities ;

- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties;
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget; and
- Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

E. Executive Committee

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

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

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

Terms of reference:

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

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

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

The Company has instituted a Code of Conduct for Members of the Board and Senior Management of the Company 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 www.shemarooent.com. All Board members and senior management personnel affirm compliances with the Code of Conduct annually. A declaration signed by the Managing Director (MD) to this effect is placed at the end of this report.

5. SUBSIDIARY COMPANIES

The audit committee reviews the consolidated financial statements of the Company. The minutes of the Board meetings of the subsidiary companies are placed at the meeting of the Board of Directors of the Company on periodical basis. The Company has framed a policy for determining 'material subsidiaries' which is placed on the website of the Company at the following link: www.shemarooent.com

6. GENERAL BODY MEETINGS

a) Annual General Meetings

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

Financial Year (FY)	Date	Time	Venue
2014-2015	September 21, 2015	03:00 PM	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Road, Churchgate, Mumbai-400020.
2013-2014	August 05, 2014	11:00 AM	Shemaroo House, Plot no. 18, Marol Co-op. Industrial Estate, Off. Andheri Kurla Road, Andheri (E), Mumbai-400059.
2012-2013	September 27, 2013	11:00 AM	Shemaroo House, Plot no. 18, Marol Co-op. Industrial Estate, Off. Andheri Kurla Road, Andheri (E), Mumbai-400059.

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

b) Postal Ballot

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

c) Means of Communication

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

- Quarterly results: The Company's quarterly/half yearly/annual financial results are sent to the Stock Exchanges and published in Financial express (English) and Mumbai Lakshadeep (Marathi) respectively and are also simultaneously displayed on its website at www.shemarooent.com.
- Media Releases: Official media releases are sent to the Stock Exchanges and are displayed on the Company's website at www.shemarooent.com. The Presentations made to the investors/analysts are placed on the Company's website at www.shemarooent.com.
- Website: The Company's website (www.shemarooent.com) contains a separate dedicated section "Investor Centre" where shareholders' information is available. The Company's Annual Report is also available in a downloadable form.
- Annual Report: The Annual Report containing, inter-alia, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report. The Annual Report is displayed on the Company's website at www.shemarooent.com
- NSE Electronic Application Processing System (NEAPS) : NEAPS is a web-based application designed by NSE for listed entities. All periodical compliance filings like shareholding pattern, corporate governance report, media releases statement of investor complaints among others, are filed electronically on NEAPS
- BSE Corporate Compliance & Listing Centre : BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.
- SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

7. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting:

Day & Date	: Monday, September 26, 2016
Time	: 04:00 P. M.
Venue	: M.C.Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001

Book Closure Date	:	September 20, 2016 – September 26, 2016.
Last Date of receipt of Proxy Forms	:	Saturday, September 24, 2016 before 4 P.M.
Cut off date	:	Monday, September 19, 2016

b. Financial Calendar (Tentative):

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

First quarterly results	:	August, 2016
Second quarterly / half yearly results	:	October, 2016
Third quarterly results	:	January, 2017
Fourth quarterly results	:	May, 2017
Annual general meeting	:	August/September, 2017

c. Dividend Payment Date:

The Board of Directors at their meeting held on May 06, 2016, recommended a Final Dividend of ₹1.40 per equity share of face value of ₹ 10/- each, for the financial year ended March 31, 2016. Final Dividend, if approved by Members, in the Annual General Meeting will be paid on or after September 26, 2016 (within the statutory time limit of 30 days).

d. Listing on Stock Exchange:

Name of Stock Exchange	Stock Code
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	538685
National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	SHEMAROO

e. Payment of Listing Fees: The Annual listing fee for the financial year 2016-17 has been paid to the above Stock Exchanges.

f. Payment of Depository Fees: Annual Custody / Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL.

g. ISIN: INE363M01019

h. Corporate Identity Number: L67190MH2005PLC158288

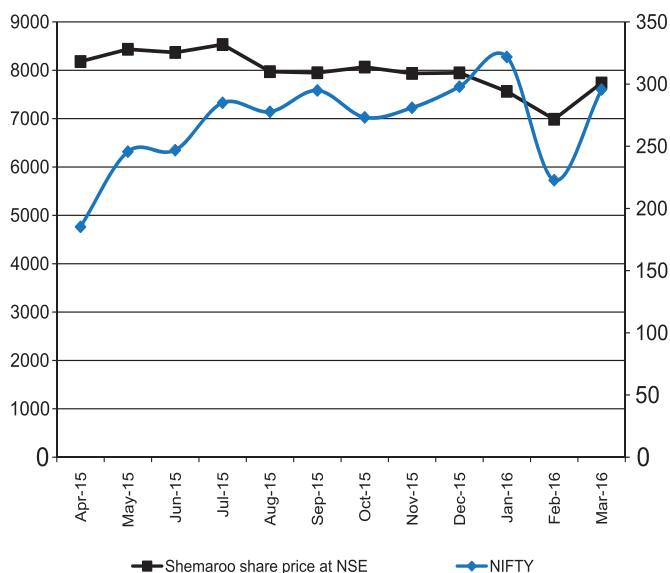
i. Market Price Data:

The high / low market price of the shares during the financial year 2015-2016 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under :-

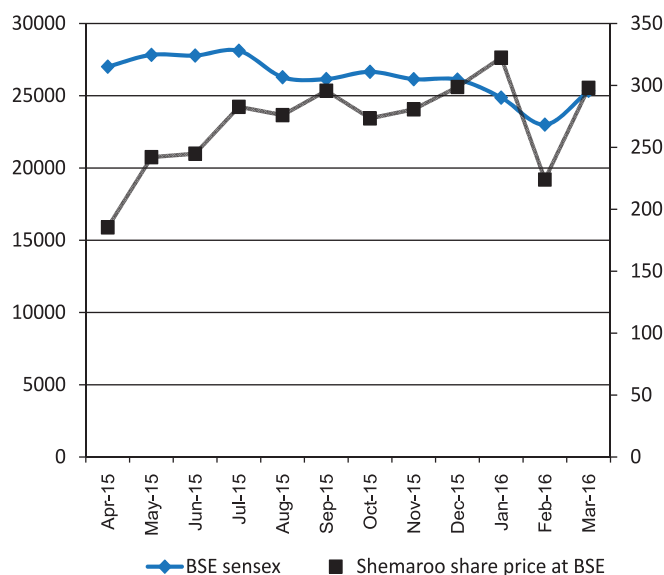
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
Apr, 2015	201.00	171.10	186221	189.00	184.00	7732
May, 2015	248.00	189.50	508961	250.00	239.00	110707
Jun, 2015	248.90	206.00	126888	248.60	237.50	15944
Jul, 2015	321.50	235.00	406248	299.10	278.30	88751
Aug, 2015	314.10	202.00	204013	284.90	275.00	34236
Sep, 2015	304.50	248.10	221093	304.00	274.35	48699
Oct, 2015	297.50	259.00	210147	282.95	265.35	57643
Nov, 2015	286.00	252.20	266075	284.85	268.70	388699
Dec, 2015	308.50	262.10	223295	308.00	295.25	311987
Jan, 2016	375.00	291.00	1049114	327.85	318.00	22781
Feb, 2016	330.70	222.00	297775	241.95	221.10	51095
Mar, 2016	310.00	226.50	243395	300.30	295.00	8091

j. Performance in comparison to broad based indices

i. Performance of share price in comparison to CNX NIFTY:



ii. Performance of share price in comparison to BSE SENSEX:



k. Share Transfer System :

The share transfer function is carried out by Link Intime India Private Limited, Registrars and Transfer Agents of the Company. Pursuant to Regulation 40 of SEBI Listing Regulations, all transfers, subdivision, consolidation, renewal, exchange etc. of shares in the company are processed after they are approved by the Committee

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.

l. Distribution of Shareholding :

The Shareholding distribution of the equity shares as on March 31, 2016 is given below:-

No. of Shares	No. of Shareholders	No. of Shares	% to Total Shares
1-5000	8425	1782910	6.5591
5001-10000	63	466302	1.7155
10001-20000	33	474824	1.7468
20001-30000	10	248443	0.9140
30001-40000	7	246790	0.9079
40001-50000	2	90712	0.3337
50001-100000	12	695554	2.5589
100001 and above	25	23176704	85.2641
Total	8577	27182239	100.00

m. Shareholding Pattern:

The Shareholding of different categories of the shareholders as on March 31, 2016 is given below:-

Category	No. of shares	% of Holdings
Promoters	16069080	59.1161
Foreign Promoter	1822840	6.7060
Foreign Portfolio Investor (Corporate)	3100119	11.4049
Financial Institutions	10049	0.0370
Other Bodies Corporate	1631363	6.0016
Mutual Fund	632841	2.3281
Non -Resident Indians	122744	0.4516
Non -Resident (Non - Repatriable)	28877	0.1062
Clearing Member	65974	0.2427
Hindu Undivided Family	152733	0.5619
Office Bearers	316400	1.1640
Public	3127955	11.5074
Trusts	101264	0.3725
TOTAL	27182239	100.00

n. 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, 2016. 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.

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

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

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

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

q. Address for Correspondence:

All shareholders' correspondence should be forwarded to M/s. Link Intime India Private Limited, the Registrar and Transfer Agent of the Company or to the Corporate Secretarial Department at the Registered Office of the Company at the addresses mentioned below.

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: rnt.helpdesk@linkintime.co.in

Compliance Officer

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

r. Nomination Facility:

As per the provisions of the Act, 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.

8. OTHER DISCLOSURES:

i. Related Party Disclosure

During the financial year under review, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note no 2.25 to the Annual Accounts. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is also available on the website of the Company at www.shemarooent.com.

ii. Whistle Blower Policy:

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report about the unethical behaviour, fraud, violations of applicable laws and regulations and the Code of Conduct. 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.

iii. Management Discussion and Analysis (MDA) Report (*within the limits set by the listed entity's competitive position*)

- Industry structure and developments, segment wise or product-wise performance, outlook, risks and opportunities of the Company and discussion on financial performance with respect to the operational performance, has been covered in the Board's Report – more specifically under the sections on Financial Results.
- The Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board. During the year, there has been no material development in Human Resources / Industrial relations. Manpower figure of the Company as on March 31, 2016 was 395.
- Disclosure of Accounting Treatments:
The Company has followed the Accounting Standards in preparation of its Financial Statements.

iv. Statutory Compliance, Penalties and Strictures:

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.

- v. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

The Company has complied with all the requirements in this regard, to the extent applicable.

vi. Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

a. The Board

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

b. Shareholder Rights

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

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

c. Modified opinion(s) in audit report

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

d. Separate posts of Chairperson and Chief Executive Officer

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

e. Reporting of Internal Auditor

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

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

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

viii. CEO/CFO Certification:

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

ix. Compliance Certificate of the Auditors

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

x. Code of Conduct for Prevention of Insider Trading:

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has in place a Code of Conduct applicable to the Board members as well as the Senior Management Personnel and the same is available on the website of 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 www.shemarooent.com.

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

Pursuant to Regulation 39(4) SEBI Listing Regulations, read with Schedule VI thereof, the Company reports that there are no outstanding unclaimed shares for the period April 01, 2015 to March 31, 2016.

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

In accordance with Regulation 26(3) read with Schedule V of SEBI Listing Regulations, We hereby declare that the board of directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year ended, March 31, 2016.

Raman Maroo
(DIN: 00169152)
Managing Director

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

Mumbai
May 06, 2016

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

For the Financial year ended March 31, 2016

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 March 31, 2016 as stipulated under Clause 49 of the Listing Agreement for the period from April 01, 2015 to November 30, 2015 and as stipulated under relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 to March 31, 2016.

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

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

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

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: May 6, 2016

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To,
The Members,
Shemaroo Entertainment Limited
Mumbai

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 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 March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective up to May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the company during the audit period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(**Not applicable to the company during the audit period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the company during the audit period**);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the company during the audit period**); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 1, 2015;
- (vi) Cinematograph Act, 1952, Copyright Act, 1957 and the rules made thereunder, being laws that are specifically applicable to the Company based on their sector/industry.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (effective from July 1, 2015);
- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai(effective up to November 30, 2015);

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

We further report that

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

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

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

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

We further report that during the audit period, there were no specific events/actions having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards etc.

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

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: May 6, 2016

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

ANNEXURE A

To,
The Members,
Shemaroo Entertainment Limited
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

Place : Mumbai
Date: May 6, 2016

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

MANAGING DIRECTOR / CFO CERTIFICATION

(Pursuant to Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015)

To,
The Board of Directors
Shemaroo Entertainment Limited

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

- A. We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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.
- B. 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.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that 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 they are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that:
- (1) there has not been any significant change in internal control over financial reporting during the year;
 - (2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) we are not aware of any instances during the year of significant fraud with involvement therein 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, 2016

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the said order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors

is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**S.Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 6, 2016
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in our Report of even date)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, these fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company,
- (ii) As per the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and there were no material discrepancies noticed on such physical verification.
- (iii) The company has granted unsecured interest bearing loans to its subsidiary companies and LLPs which are covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) The terms and conditions of the grant of such loans are not prejudicial to the company’s interest;
- (b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii) (b) and (c) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest;
- (iv) According to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 in respect of loans, investments, guarantees, and security given by the Company.
- (v) The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- (vi) The Company is maintaining the cost records as specified by the Central Government under sub – section (1) of Section 148 of the Companies Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) According to information and explanations given to us, 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)
Income Tax Act	Income Tax	8,678,269	F.Y. 2010-11	Com. of I.T.(A)
Customs Act	Customs Duty	15,464,368	F.Y.2009-10	CESTAT

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the information and explanations given to us, the term loans were applied for the purposes for which those are raised by the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi Company and hence clause 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**S.Poosaidurai
Partner**

Date: May 6, 2016

Place: Mumbai

**Chartered Accountants
Membership No. 223754**

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Shemaroo Entertainment Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**S.Poosaidurai
Partner**

**Chartered Accountants
Membership No. 223754**

Date: May 6, 2016

Place: Mumbai

Balance Sheet

as at March 31, 2016

(₹ in lacs)

Particulars	Note	As at March 31, 2016	As at Mar 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	2,718.22	2,718.22
(b) Reserves and Surplus	2.2	34,480.82	29,395.79
		37,199.04	32,114.02
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	2,291.29	32.15
(b) Deferred tax liability (Net)	2.4	669.06	682.61
(c) Long term provisions	2.5	67.15	54.00
		3,027.49	768.76
(3) Current Liabilities			
(a) Short-term borrowings	2.6	15,436.49	10,540.84
(b) Trade payables - Other than MSME	2.7	1,112.72	1,744.08
(c) Other current liabilities	2.8	3,924.77	3,374.78
(d) Short-term provisions	2.9	1,397.04	766.14
		21,871.02	16,425.85
Total		62,097.55	49,308.63
II. ASSETS			
(1) Non-current assets			
(a) <i>Fixed assets</i>	2.10		
(i) Tangible assets		2,837.43	2,870.00
(ii) Intangible assets		91.95	79.99
(iii) Capital WIP		138.23	-
(b) Non-current investments	2.11	1,201.90	2,002.35
(c) Long term loans and advances	2.12	647.11	713.22
(d) Other non-current assets	2.13	7.50	4.50
		4,924.11	5,670.05
(2) Current assets			
(a) Inventories	2.14	38,375.17	28,788.51
(b) Trade receivables	2.15	10,678.55	12,700.92
(c) Cash and cash equivalents	2.16	106.85	233.94
(d) Short-term loans and advances	2.17	8,012.87	1,915.20
		57,173.44	43,638.58
Total		62,097.55	49,308.63
Significant Accounting Policies Notes to the Financial Statements	1 & 2		

As per our report of even date

For and on behalf of the Board

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

Raman Maroo
Managing Director
DIN: 00169152

Atul Maru
Jt. Managing Director
DIN: 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Ankit Singh
Company Secretary
Membership No.: F8438

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Place : Mumbai
Date : May 6, 2016

Place : Mumbai
Date : May 6, 2016

Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in lacs)

Particulars	Note	As at March 31, 2016	As at Mar 31, 2015
<u>INCOME</u>			
Revenue from operations	2.18	37,483.57	32,344.77
Other Income	2.19	210.08	125.71
I. Total Revenue		37,693.66	32,470.48
<u>EXPENDITURE</u>			
Direct Operational Expenses	2.20	31,925.22	29,271.63
Changes in inventories	2.21	(9,586.66)	(8,987.41)
Employee benefit expense	2.22	2,268.56	1,791.96
Financial costs	2.23	2,282.70	2,120.72
Depreciation and amortization expense	2.10	369.53	367.47
Other expenses	2.24	1,822.80	1,503.49
II. Total Expenses		29,082.14	26,067.85
Profit before tax	(I - II)	8,611.52	6,402.63
Tax expense:			
(1) Current tax			
- Income Tax		3,082.02	2,359.25
- Wealth Tax		-	0.52
(2) Deferred tax	2.4	(13.55)	(165.29)
(3) Tax in respect of earlier years		-	27.33
Profit after tax for the year		5,543.05	4,180.81
Earnings per equity share (Nominal value of ₹ 10 each) :			
Basic and Diluted (in ₹)	2.1	20.39	17.73
Significant Accounting Policies Notes to the Financial Statements	1 & 2		

As per our report of even date

For and on behalf of the Board

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

Raman Maroo
Managing Director
DIN: 00169152

Atul Maru
Jt. Managing Director
DIN: 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Ankit Singh
Company Secretary
Membership No.: F8438

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Place : Mumbai
Date : May 6, 2016

Place : Mumbai
Date : May 6, 2016

Cash Flow Statement

for the year ended March 31, 2016

Particulars	(₹ in lacs)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	8,611.52	6,402.63
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation & Amortisation expense	369.53	367.47
Financial Expenses	2,282.70	2,120.72
Interest Income	(175.73)	(103.30)
Dividend Income	(2.00)	(13.77)
(Profit) / Loss on sale of Fixed Assets	0.72	22.75
Unrealised Foreign Exchange (Gain)/Loss	3.33	28.57
Provision for Leave Encashment	16.53	(9.31)
Provision for Gratuity	34.65	2.28
Liabilities no longer required written back	(0.83)	(4.75)
Bad Debts written off	24.50	6.52
Operating Profit Before Working Capital Changes	11,164.91	8,819.79
Adjustments for changes in Working Capital		
Trade & Other Receivables	(3,143.65)	1,704.32
Inventories	(9,586.66)	(8,987.41)
Increase/(Decrease) in Trade & Other Payables	50.43	(1,700.26)
Cash Generated from Operations	(1514.72)	(163.55)
Taxes (Paid) / refund (Net)	(2,690.43)	(2,774.77)
Cash Flow from Operating Activities	(4,205.15)	(2,938.32)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of fixed assets	3.20	(22.32)
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(491.07)	(221.63)
Dividend Income	2.00	13.77
Interest Income	175.73	103.30
Proceeds from sale of investments	5.00	-
Investment in Mutual Funds	-	(800.00)
Proceeds from sale of Mutual Funds	800.00	-
Investment in LLP	(4.55)	-
Loans given to subsidiaries	(893.68)	(33.77)
Cash flow from Investing Activities	(403.37)	(960.65)

Particulars	(₹ in lacs)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Proceeds from Issuance of Share Capital	-	10,860.65
Increase / (Decrease) of Long term Borrowings	2,259.14	(976.71)
Increase / (Decrease) of Short term Borrowings	4,895.64	(3,573.69)
Dividend Paid	(324.25)	(99.24)
Tax on Dividend Paid	(66.41)	(16.87)
Financial Expenses	(2,282.70)	(2,120.72)
Cash flow from Financing activities	4,481.42	4,073.42
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(127.09)	174.45
Cash & Cash Equivalents at the beginning (Refer Note 2.17)	233.94	59.49
Cash and Cash Equivalents acquired as per the Scheme of Amalgamation and Arrangement		
Cash & Cash Equivalents at the End (Refer Note 2.17)	106.85	233.94

As per our report of even date

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

S. Poosaidurai
Partner
Membership No.: 223754

Place : Mumbai
Date: May 6, 2016

For and on behalf of the Board

Raman Maroo
Managing Director
DIN: 00169152

Ankit Singh
Company Secretary
Membership No.: F8438

Place : Mumbai
Date : May 6, 2016

Atul Maru
Jt. Managing Director
DIN: 00169264

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

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
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f. Borrowing costs

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

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

g. Impairment of assets

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

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on

which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

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

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

i. Inventories

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

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

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

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

j. Revenue Recognition

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

Sale of goods

Revenue from sale of goods (ACDs/VCDs/DVDs/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, 2016.

o. Income tax

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

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

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

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

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

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

p. Earnings per share

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

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

q. Provisions

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

r. Contingent Liabilities and Contingent Assets

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

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

Notes

(₹ in lacs), except as otherwise stated

Note 2.1

Share Capital

Authorised Share Capital:

Equity shares, ₹ 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 2,71,82,239) Equity Shares fully paid up.

Total

	As at March 31, 2016	As at March 31, 2015
	<u>3,000.00</u>	<u>3,000.00</u>
	2,718.22	2,718.22
Total	<u>2,718.22</u>	<u>2,718.22</u>

The Company has only one class of shares referred to as equity shares having a par value of ₹ 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, 2016		As at March 31, 2015	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	27,182,239	2,718.22	19,848,904	1,984.89
Shares Issued during the year	-	-	7,333,335	733.33
Shares outstanding at the end of the year	<u>27,182,239</u>	<u>2,718.22</u>	<u>27,182,239</u>	<u>2,718.22</u>

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

Name of Shareholder	Equity Shares			
	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Maroo	4,809,520	17.69%	4,809,520	17.69%
Mr. Atul Maru	4,809,520	17.69%	4,809,520	17.69%
Mr. Buddhichand Maroo	3,575,320	13.15%	3,575,320	13.15%
Copthall Mauritius Investment Limited	2,374,000	8.73%	23,40,000	8.61%
Technology And Media Group Pte. Ltd.	1,822,840	6.71%	1,822,840	6.71%
Mr. Hiren Gada	1,640,520	6.04%	1,640,520	6.04%
Total Shareholding	<u>19,031,720</u>	<u>70.01%</u>	<u>18,997,720</u>	<u>69.89%</u>

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

- Aggregate number of shares allotted as fully paid-up pursuant to the contracts without payment being received in cash is NIL
- 1,48,86,678 equity shares were issued as bonus on 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, 2016	As at March 31, 2015
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs)	5,543.05	4,180.81
Weighted Average number of equity shares used as denominator for calculating EPS	27,182,239	23,585,891
Basic and Diluted Earnings per share (Previous Year)	20.39	17.73
Face Value per equity share	10.00	10.00

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

As per last Balance Sheet	14,340.81	4,213.50
Add : Securities premium credited on Share issue	-	10,127.31
	<u>14,340.81</u>	<u>14,340.81</u>

b. General Reserve

As per last Balance Sheet	1,974.24	1,869.72
Add: Transferred from surplus in Statement of Profit and Loss	138.58	104.52
	<u>2,112.82</u>	<u>1,974.24</u>

c. Surplus

As per last Balance Sheet	13,080.74	9,677.16
Add: Profit for the year	5,543.05	4,180.81
Less: Depreciation adjustment	-	(280.12)
Amount available for Appropriation	18,623.79	13,577.85
Appropriations:		
Less: Transfer to General reserve	(138.58)	(104.52)
Less: Proposed Dividend	(380.55)	(326.19)
Less: Tax on Proposed Dividend	(77.47)	(66.41)
	<u>18,027.19</u>	<u>13,080.74</u>

Total**34,480.82****29,395.79****Note 2.3****Long-term borrowings****Term loans**

From banks		
Secured	2,291.29	32.15

Total**2,291.29****32.15**

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 ₹ 41.29 lacs (March 31, 2015: ₹ 32.15 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)	Fresh Term loans taken from SBI amounting to ₹ 2250 lacs for purchasing specified copy rights.	Repayable in quarterly installments of ₹ 450 lacs as scheduled.

(₹ in lacs), except as otherwise stated

		As at March 31, 2016	As at March 31, 2015
Note 2.4			
Deferred tax liability (Net)			
Deferred Tax Liability			
	Related to Fixed Assets	422.20	427.58
	Allowances under the Income Tax Act, 1961	246.86	255.03
	Total	669.06	682.61
		As at March 31, 2016	As at March 31, 2015
Note 2.5			
Long term provisions			
Provision for Employee Benefits			
	Provision for leave Encashment	67.15	54.00
	Total	67.15	54.00
		As at March 31, 2016	As at March 31, 2015
Note 2.6			
Short-term borrowings			
(a)	Working Capital Loans from Banks (Secured)	8,070.03	6,662.91
	[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	5,223.30	2,111.65
		5,223.30	2,111.65
(c)	Loans and Advances (Unsecured)		
	- Directors	1,688.16	1,034.28
	- Inter Corporate Deposits	455.00	732.00
		2,143.16	1,766.28
	Total	15,436.49	10,540.84

(₹ in lacs), except as otherwise stated

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

(refer note no 2.31 with respect to dues to micro and small enterprises)

Total

As at March 31, 2016	As at March 31, 2015
1,112.72	1,744.08
1,112.72	1,744.08

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

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

(b) Short Term Loans Unsecured**(c) Creditors for Capital Expenditure****(d) Interest Accrued and due****(e) Others***

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

Total

As at March 31, 2016	As at March 31, 2015
1,834.01	26.32
1677.29	3,122.50
74.53	45.91
43.30	3.19
295.64	176.86
3,924.77	3,374.78

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

- Term loans from bank amounting to ₹ 34.01 lacs (March 31, 2015: ₹ 26.32 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.
- Fresh Term loans taken from SBI amounting to ₹ 1800 lacs for purchasing specified copy rights.

Terms of Repayment

Repayable in equal monthly installments commencing as per repayment schedules of the banks.

Repayable in quarterly installments of ₹ 450 lacs as scheduled.

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, 2016	As at March 31, 2015
48.78	14.13
6.00	2.61
0.59	0.67
10.77	10.07
0.01	0.01
66.15	27.50
870.93	345.53
382.48	326.19
77.47	66.41
-	0.52
1,330.89	738.64
1,397.04	766.14

(₹ in lacs), except as otherwise stated

Note 2.10: Fixed Assets

Particulars	Gross Block			Depreciation			Net Block			
	As on April 01, 2015	Additions	Deductions	As on March 31, 2016	As on April 1, 2015	For the year	Deductions	As on March 31, 2016	As on March 31, 2015	
<u>Tangible Assets</u>										
Office Building*	981.96	-	-	981.96	174.00	15.99	-	189.99	791.97	807.96
Plant & Machinery	4,182.56	233.02	-	4,415.58	2,377.39	261.92	-	2,639.30	1,776.27	1,805.17
Furniture & Fixtures	415.80	15.36	-	431.16	306.76	39.47	-	346.23	84.93	109.04
Motor Vehicle	249.10	66.74	53.74	262.10	101.28	26.39	49.82	77.85	184.25	147.82
Total Tangible Assets (A)	5,829.42	315.12	53.74	6,090.80	2,959.42	343.77	49.82	3,253.38	2,837.43	2,870.00
<u>Intangible Assets</u>										
Software	262.23	37.73	-	299.96	182.25	25.76	-	208.01	91.95	79.99
Total In-Tangible Assets (B)	262.23	37.73	-	299.96	182.25	25.76	-	208.01	91.95	79.99
Total Assets (A) + (B)	6,091.65	352.85	53.74	6,390.76	3,141.67	369.53	49.82	3,461.38	2,929.38	2,949.99
<u>Previous Year</u>										
Tangible Assets	5,751.31	187.56	109.45	5,829.42	2,433.37	601.04	74.98	2,959.42	2,870.00	3,317.94
Intangible Assets	228.17	34.07	-	262.23	135.42	46.82	-	182.25	79.99	92.74
Total Assets (Previous Year)	5,979.48	221.63	109.45	6,091.65	2,568.79	647.86	74.98	3,141.67	2,949.99	3,410.69
<u>Intangible assets under development</u>										
Tangible Assets									130.24	-
Intangible Assets									7.99	-

*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****Long Term Investments****(a) Trade Investments (valued at cost)****Unquoted equity instruments****- Investment in Subsidiary Companies**

	As at March 31, 2016	As at March 31, 2015
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
- Investment in LLP		
i) Long Term Investment in Associates Concerns (STELLP)	0.65	-
ii) Long Term Investment in Associates Concerns (CMLLP)	0.65	-
iii) Investment in LLP (Current A/c)	3.25	-

Quoted equity instruments

- Investment in Mutual Fund Units	-	800.00
	<u>1,196.90</u>	<u>1,992.35</u>

(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) CY NIL (Previous Year 20,000) Equity shares of ₹ 25/- each fully paid-up of The Shamrao Vithal Co-op. Bank Ltd.	-	5.00
	<u>5.00</u>	<u>10.00</u>

Total**Aggregate amount of investments**

1,201.90	2,002.35
<u>1,201.90</u>	<u>2,002.35</u>

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

Unsecured Considered Good	36.97	110.68
	<u>36.97</u>	<u>110.68</u>

(b) Other loans and advances

Loans to employees	5.51	2.89
Loans to Others	604.63	599.65
	<u>610.14</u>	<u>602.54</u>
Total	<u>647.11</u>	<u>713.22</u>

(₹ in lacs), except as otherwise stated

	As at March 31, 2016	As at March 31, 2015
Note 2.13		
Other non-current assets		
Non-Current bank balances	7.50	4.50
In Fixed Deposit (Maturity more than 12 months)		
Total	7.50	4.50
	As at March 31, 2016	As at March 31, 2015
Note 2.14		
Inventories		
(a) Copyrights	37,960.17	28,407.83
(b) Movies under Production	263.04	207.92
(c) DVDs, VCDs & ACDs	151.97	172.77
Total	38,375.17	28,788.51
	As at March 31, 2016	As at March 31, 2015
Note 2.15		
Trade receivables - Current		
Unsecured, Considered good unless otherwise stated		
a) More than six months	406.56	661.06
b) Other receivables	10,271.98	12,039.86
Total	10,678.55	12,700.92
	As at March 31, 2016	As at March 31, 2015
Note 2.16		
Cash and cash equivalents		
(a) Balances with Bank		
On Current Accounts	59.12	121.47
(b) Cash on Hand	9.73	11.79
(c) Other Balances with Bank		
Deposit with maturity of Less than 12 months but more than 3 months	38.00	67.56
Deposit with maturity of more than 12 months	-	33.12
Total	106.85	233.94

(₹ in lacs), except as otherwise stated

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

Unsecured Considered Good (refer note no. 2.25)

As at March 31, 2016	As at March 31, 2015
1,107.02	213.34
<u>1,107.02</u>	<u>213.34</u>

(b) Other loans and advances

Withholding and Other Taxes Receivable	282.86	166.06
Advances paid for Supply of Goods and Rendering of Services	6,404.31	1,208.39
Balance with Customs, Central Excise Authorities	106.91	241.28
Prepaid Expenses	70.04	62.99
Loans to employees	41.74	23.14
	<u>6,905.85</u>	<u>1,701.86</u>

Total

<u>8,012.87</u>	<u>1,915.20</u>
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Note 2.18**Revenue from operations**

(a) Sale of Rights	36,170.98	30,618.52
(b) Sale of Products	531.79	878.38
(c) Income from Services	691.20	693.37
(d) Other Operating Revenue	89.61	154.50
	<u>37,483.57</u>	<u>32,344.77</u>

Total

<u>37,483.57</u>	<u>32,344.77</u>
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Note 2.19**Other Income**

(a) Interest	175.73	103.30
(b) Dividend		
:- Others (Non-Trade Investments)	2.00	12.93
From Current Investments		
Long Term Investments	-	0.84
(c) Profit on Sale of Investments	-	0.77
(d) Others	17.27	7.87
(e) Foreign Exchange Fluctuation Gain (net)	15.08	-
	<u>210.08</u>	<u>125.71</u>

Total

<u>210.08</u>	<u>125.71</u>
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(₹ in lacs), except as otherwise stated

	As at March 31, 2016	As at March 31, 2015
Note 2.20		
Direct Operational Expenses		
(a) Purchases	28,651.57	27,540.33
(b) Works Cost	3,273.65	1,731.30
Total	<u><u>31,925.22</u></u>	<u><u>29,271.63</u></u>
	As at March 31, 2016	As at March 31, 2015
Note 2.21		
Changes in inventories		
(a) Inventories (at close)	38,375.17	28,788.51
(b) Inventories (at commencement)	28,788.51	19,801.10
Total	<u><u>(9,586.66)</u></u>	<u><u>(8,987.41)</u></u>
	As at March 31, 2016	As at March 31, 2015
Note 2.22		
Employee benefit expense		
Salaries, Bonus and Allowances	2,092.16	1,693.47
Contribution to Provident & Other funds	127.06	69.05
Staff Welfare Expenses	49.35	29.43
Total	<u><u>2,268.56</u></u>	<u><u>1,791.96</u></u>
	As at March 31, 2016	As at March 31, 2015
Note 2.23		
Finance costs		
Interest expense		
Borrowings	2,137.83	2,040.35
Other Borrowing Costs		
Bank & Other Finance Charges	144.87	80.37
Total	<u><u>2,282.70</u></u>	<u><u>2,120.72</u></u>

(₹ in lacs), except as otherwise stated

	As at March 31, 2016	As at March 31, 2015
Note 2.24		
Other expenses		
Bad debts written off	24.50	6.52
Business Development Expenses	86.86	56.16
Communication Expenses	47.71	41.87
Directors Sitting Fees	3.20	0.80
Donations	85.98	58.48
Electricity Expenses	149.71	138.70
Foreign Exchange Fluctuation Loss (net)	-	3.00
Interest on Government Dues	5.20	37.71
General Expenses	552.11	415.21
Insurance Charges	51.31	51.92
Legal, Professional and Consultancy Fees	262.91	223.99
Auditors Remuneration	10.75	9.50
Rents, Rates and Taxes	35.34	34.29
Repairs and Maintenance		
Repairs and maintenance - Machinery	22.17	39.90
Repairs and maintenance - Others	92.30	91.69
Security Charges	28.15	28.75
Selling Expenses	249.21	159.73
Travelling & Conveyance	114.67	82.52
Loss on Sale of Fixed Assets	0.72	22.75
Total	<u>1,822.80</u>	<u>1,503.49</u>

(₹ in lacs), except as otherwise stated

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

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

Key Management Personnel:

Mr. Buddhichand Maroo
 Mr. Raman Maroo
 Mr. Atul Maru
 Mr. Jai Maroo
 Mr. Hiren Gada
 Mr. Vinod Karani
 Mr. Hemant Karani
 Mr. Bipin Dharod
 Mr. Ketan Maru
 Mr. Harakhchand Gada
 Mrs. Kranti Gada
 Mrs. Smita Maroo
 Ms. Mansi Maroo
 Mr. Ankit Singh

Relatives of Key Management Personnel:

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

Entities having Common Control:

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

Associate Company:

Vistaas Digital Media Private Limited

b Related party transactions

Refer Note b.

(₹ 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	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Purchase of Goods & Services	-	309.64	-	-	-	-	180.07	214.88	72.35	121.25	252.41	645.78
Sneha Arts	-	-	-	-	-	-	40.91	27.85	-	-	40.91	27.85
Think Walnut Digital Private Limited	-	-	-	-	-	-	139.16	187.03	-	-	139.16	187.03
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	72.35	121.25	72.35	121.25
Shemaroo Films Private Limited	-	309.64	-	-	-	-	-	-	-	-	-	309.64
Sale of Goods & Services	19.83	9.94	-	-	-	-	-	-	-	-	19.83	9.94
Shemaroo Entertainment (UK) Pvt. Ltd.	-	9.94	-	-	-	-	-	-	-	-	-	9.94
Contentino Media LLP	19.83	-	-	-	-	-	-	-	-	-	19.83	-
Dividend	-	-	196.87	82.03	-	-	21.87	9.11	-	-	218.74	91.14
Buddhichand Maroo	-	-	42.90	17.88	-	-	-	-	-	-	42.90	17.88
Raman Maroo	-	-	57.71	24.05	-	-	-	-	-	-	57.71	24.05
Atul Maru	-	-	57.71	24.05	-	-	-	-	-	-	57.71	24.05
Jai Maroo	-	-	14.81	6.17	-	-	-	-	-	-	14.81	6.17
Hiren Gada	-	-	19.69	8.20	-	-	-	-	-	-	19.69	8.20
Vinod Karani	-	-	1.38	0.57	-	-	-	-	-	-	1.38	0.57
Hemant Karani	-	-	0.79	0.33	-	-	-	-	-	-	0.79	0.33
Bipin Dharod	-	-	0.49	0.21	-	-	-	-	-	-	0.49	0.21
Ketan Maru	-	-	0.98	0.41	-	-	-	-	-	-	0.98	0.41
Harakhchand Gada	-	-	0.39	0.16	-	-	-	-	-	-	0.39	0.16
Technology and Media Group PTE. Ltd.	-	-	-	-	-	-	21.87	9.11	-	-	21.87	9.11
Salaries	-	-	304.62	187.31	12.27	13.25	-	-	-	-	315.59	200.56
Bipin Dharod	-	-	30.28	18.51	-	-	-	-	-	-	30.28	18.51
Hemant Karani	-	-	55.20	24.52	-	-	-	-	-	-	55.20	24.52
Ketan Maru	-	-	36.23	22.52	-	-	-	-	-	-	36.23	22.52
Harakhchand Gada	-	-	25.15	17.31	-	-	-	-	-	-	25.15	17.31
Vinod Karani	-	-	86.44	30.54	-	-	-	-	-	-	85.13	30.54

(₹ 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	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Smita Maroo	-	-	29.83	30.18	-	-	-	-	-	-	29.83	30.18
Mansi Maroo	-	-	4.63	4.63	-	-	-	-	-	-	4.63	4.63
Madhuri Gada	-	-	-	-	9.69	9.78	-	-	-	-	9.69	9.78
Nirvi Maru	-	-	-	-	2.58	3.48	-	-	-	-	2.58	3.48
Kranti Gada	-	-	17.74	23.02	-	-	-	-	-	-	17.74	23.02
Ankit Singh	-	-	19.12	16.08	-	-	-	-	-	-	19.12	16.08
Directors Sitting Fees	-	-	1.40	0.40	-	-	-	-	-	-	1.40	0.40
Jai Maroo	-	-	0.80	0.20	-	-	-	-	-	-	0.80	0.20
Buddhichand Maroo	-	-	0.60	0.20	-	-	-	-	-	-	0.60	0.20
Remuneration to Directors	-	-	115.11	119.38	-	-	-	-	-	-	115.11	119.38
Raman Maroo	-	-	41.66	43.22	-	-	-	-	-	-	41.66	43.22
Atul Maru	-	-	41.66	43.22	-	-	-	-	-	-	41.66	43.22
Hiren Gada	-	-	31.79	32.94	-	-	-	-	-	-	31.79	32.94
Interest Paid (on Loans)	-	-	157.83	130.94	-	-	-	-	-	-	157.83	130.94
Raman Maroo	-	-	72.58	50.45	-	-	-	-	-	-	72.58	50.45
Atul Maru	-	-	69.19	62.60	-	-	-	-	-	-	69.19	62.60
Hiren Gada	-	-	0.12	1.36	-	-	-	-	-	-	0.12	1.36
Buddhichand Maroo	-	-	-	0.52	-	-	-	-	-	-	-	0.52
Jai Maroo	-	-	15.94	14.86	-	-	-	-	-	-	15.94	14.86
Smita Maroo	-	-	-	1.15	-	-	-	-	-	-	-	1.15
Interest Received On Loan	52.20	-	-	-	-	-	-	-	-	-	52.20	-

(₹ 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	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Shemaroo Entertainment (UK) Pvt. Ltd.	31.90	-	-	-	-	-	-	-	-	-	31.90	-
Shemaroo Entertainment INC, USA	0.55	-	-	-	-	-	-	-	-	-	0.55	-
Shemaroo Think Tank Entertainment LLP	17.44	-	-	-	-	-	-	-	-	-	17.44	-
Contentino Media LLP	2.31	-	-	-	-	-	-	-	-	-	2.31	-
Advances / Loans Given during the year	841.57	148.31	15.00	-	-	-	-	-	-	-	856.57	148.31
Shemaroo Entertainment (UK) Pvt. Ltd.	83.96	43.82	-	-	-	-	-	-	-	-	83.96	43.82
Shemaroo Entertainment INC, USA	-	4.40	-	-	-	-	-	-	-	-	-	4.40
Shemaroo Films Private Limited	-	100.09	-	-	-	-	-	-	-	-	-	100.09
Shemaroo Think Tank Entertainment LLP	620.66	-	-	-	-	-	-	-	-	-	620.66	-
Contentino Media LLP	136.95	-	-	-	-	-	-	-	-	-	136.95	-
Vinod Karani	-	-	15.00	-	-	-	-	-	-	-	15.00	-
Loans Taken during the year	-	-	1,353.85	1,114.98	-	-	-	-	-	-	1,353.85	1,114.98
Atul Maru	-	-	698.25	744.90	-	-	-	-	-	-	698.25	744.90
Buddhichand Maroo	-	-	-	18.00	-	-	-	-	-	-	-	18.00
Jai Maroo	-	-	14.30	20.52	-	-	-	-	-	-	14.30	20.52
Raman Maroo	-	-	641.30	322.04	-	-	-	-	-	-	641.30	322.04
Hiren Gada	-	-	-	9.52	-	-	-	-	-	-	-	9.52
Other Income	-	-	-	-	-	-	0.69	1.80	-	-	0.69	1.80
Shemaroo Corporation	-	-	-	-	-	-	0.69	1.80	-	-	0.69	1.80
Dues from Related Parties	1,152.51	236.58	15.00	9.50	-	-	-	0.14	-	-	1,167.51	246.22
Shemaroo Entertainment INC, USA	6.57	5.68	-	-	-	-	-	-	-	-	6.57	5.68
Shemaroo Entertainment (UK) Pvt. Ltd.	349.00	230.90	-	-	-	-	-	-	-	-	349.00	230.90
Vinod Karani	-	-	15.00	9.50	-	-	-	-	-	-	15.00	9.50
Shemaroo Corporation	-	-	-	-	-	-	-	0.14	-	-	-	0.14

(₹ 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	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Shemaroo Think Tank Entertainment LLP	636.35	-	-	-	-	-	-	-	-	-	636.35	-
Contentino Media LLP	160.60	-	-	-	-	-	-	-	-	-	160.60	-
Dues to Related Parties	94.16	-	1,688.16	1,034.28	-	-	60.71	139.36	33.03	40.28	1,876.06	1,213.91
Atul Maru	-	-	777.59	434.94	-	-	-	-	-	-	777.59	434.94
Hiren Gada	-	-	-	8.52	-	-	-	-	-	-	-	8.52
Jai Maroo	-	-	139.12	132.82	-	-	-	-	-	-	139.12	132.82
Raman Maroo	-	-	771.45	458.00	-	-	-	-	-	-	771.45	458.00
Sneha Arts	-	-	-	-	-	-	25.60	9.92	-	-	25.60	9.92
Think Walnut Digital Private Limited	-	-	-	-	-	-	35.11	129.44	-	-	35.11	129.44
Vistaas Digital Media Private Limited	-	-	-	-	-	-	-	-	33.03	40.28	33.03	40.28
Shemaroo Films Private Limited	94.16	-	-	-	-	-	-	-	-	-	94.16	-
Personal Guarantees Taken against Bank Loans	-	-	72,500.00	50,000.00	-	-	-	-	-	-	72,500.00	50,000.00
Atul Maru	-	-	14,500.00	10,000.00	-	-	-	-	-	-	14,500.00	10,000.00
Buddhichand Maroo	-	-	14,500.00	10,000.00	-	-	-	-	-	-	14,500.00	10,000.00
Jai Maroo	-	-	14,500.00	10,000.00	-	-	-	-	-	-	14,500.00	10,000.00
Raman Maroo	-	-	14,500.00	10,000.00	-	-	-	-	-	-	14,500.00	10,000.00
Hiren Gada	-	-	14,500.00	10,000.00	-	-	-	-	-	-	14,500.00	10,000.00

(₹ in lacs), except as otherwise stated

2.26 Value of imports calculated on CIF basis in respect of

Particulars	March 31, 2016	March 31, 2015
Components and spare parts	1.77	1.11
	<u>1.77</u>	<u>1.11</u>

2.27 Expenditure in foreign currency

Particulars	March 31, 2016	March 31, 2015
Royalty	85.72	53.95
Dividend	22.48	10.39
Directors Sitting Fees	-	0.20
Others	630.83	186.42
	<u>739.03</u>	<u>250.96</u>

2.28 Net dividend remitted in foreign exchange

Year of remittance (ending on)	March 31, 2016	March 31, 2015
Period to which it relates	2014-15	2013-14
Number of non-resident shareholders	2	5
Number of equity shares held on which dividend was due	1,873,476	3,311,620
Amount remitted	<u>22.48</u>	<u>10.39</u>

2.29 Earnings in foreign currency

Particulars	March 31, 2016	March 31, 2015
Exports at F.O.B. Value	2,477.08	1,755.16
	<u>2,477.08</u>	<u>1,755.16</u>

2.30 Payment to auditor

Particulars	March 31, 2016	March 31, 2015
As Auditor:		
Audit fee	10.75	9.50
In other capacity:		
Management Services	-	8.43
Other services (certification fees)	0.60	0.41
Reimbursement of expenses	2.67	1.58
	<u>14.02</u>	<u>19.91</u>

The figures mentioned above are exclusive of Service Tax.

(₹ in lacs), except as otherwise stated

2.31 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.

2.32 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.

2.33 An amount of ₹ 3,50,374/- 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.

2.34 Gratuity Benefits as per AS 15 (Revised)

Particulars	March 31, 2016	March 31, 2015
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method
Data Summary and Analysis		
Number of Employees	391	335
Total Monthly Salary	78.83	56.10
Average Salary	20,160.96	16,745.97
Average Age	33.88 years	34.09 years
Average Past Service	5.61 years	6.36 years
Valuation Results		
Discontinuance Liability	279.01	232.68
	274.66	206.05
Other Results		
Average Future Service	17 years	16.74 years
Current & Non-Current Liability		
Funding Status	Funded	Funded
Fund Balance	225.88	191.92
Current Liability	48.78	14.13
Non-Current Liability	-	191.92
Valuation Assumptions		
(i) Financial Assumptions		
Salary Escalation Rate :	8.00% p.a.	8.00% p.a.
Discount Rate :	8.08% p.a. (indicative G.Sec referenced on 31/03/2016)	7.77% p.a. (indicative G.Sec referenced on 31/03/2015)
(ii) Demographic Assumptions		
Mortality Rate :	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate :	3.00% p.a. for all service groups	3.00% p.a. for all service groups
Valuation Inputs		
Retirement Age	60 years	60 years
Vesting Period	5 years	5 years

Benefit Scheme (2016-17)

15 days salary for each year of service subject to a maximum of ₹ 10,00,000/-

The formula to calculate day's salary is $1/26 \times \text{monthly salary}$

(₹ in lacs), except as otherwise stated

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

Particulars	March 31, 2016	March 31, 2015
Employer's Contribution to Provident Fund	64.36	49.37
	64.36	49.37

2.35 Contingent Liabilities

Particulars	March 31, 2016	March 31, 2015
Disputed Direct Tax Demands	97.59	75.24
Disputed Indirect Tax Demands	154.64	161.01
Legal Cases against the company	243.07	227.48
	495.31	463.73

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.

2.36 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. Dandekar & Co.
Chartered Accountants
ICAI FRN: 000679S

Raman Maroo
Managing Director
DIN: 00169152

Atul Maru
Jt. Managing Director
DIN: 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Ankit Singh
Company Secretary
Membership No.: F8438

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Place : Mumbai
Date: May 6, 2016

Place : Mumbai
Date : May 6, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Shemaroo Entertainment Limited and its subsidiaries and Associates** ("the Group"), which comprise the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2016, 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 of two subsidiary companies and two subsidiary Limited Liability Partnership whose financial statements reflect total asset of ₹ 104.19 lacs as at March 31, 2016, total Revenue of ₹ 6.40 lacs and net cash flows amounting to ₹ 9.17 lacs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub – sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on 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 Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies incorporated in India, none of the directors of the Group Companies, its associate companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

Date: May 6 , 2016
Place: Mumbai

**S.Poosaidurai
Partner
Chartered Accountants
Membership No. 223754**

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Shemaroo Entertainment Limited** ("the Holding Company") and its subsidiary and associate companies incorporated in India as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies including associates which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Date: May 6, 2016
Place: Mumbai

**S.Poosaidurai
Partner
Chartered Accountants
Membership No. 223754**

Consolidated Balance Sheet

as at March 31, 2016

(₹ in lacs)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	2,718.22	2,718.22
(b) Reserves and Surplus	2.2	33,771.41	29,017.22
		36,489.63	31,735.44
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	2,291.29	32.15
(b) Deferred tax liability (Net)	2.4	669.06	682.61
(c) Long term provisions	2.5	67.15	54.00
		3,027.49	768.77
(3) Current Liabilities			
(a) Short-term borrowings	2.6	15,436.49	10,540.84
(b) Trade payables	2.7	1,020.48	1,648.33
(c) Other current liabilities	2.8	3,935.04	3,388.85
(d) Short-term provisions	2.9	1,397.04	766.14
		21,789.05	16,344.17
Total		61,306.17	48,848.38
II. ASSETS			
(1) Non-current assets			
(a) <i>Fixed assets</i>	2.10		
(i) Tangible assets		2,837.43	2,870.07
(ii) Intangible assets		91.95	79.99
(iii) Capital Work in Progress		130.24	-
(iv) Intangible assets under development		7.99	-
(b) Non-current investments	2.11	660.27	1,680.19
(c) Long term loans and advances	2.12	647.11	713.22
(d) Other non-current assets	2.13	7.50	4.50
		4,382.49	5,347.96
(2) Current assets			
(a) Inventories	2.14	38,457.41	28,868.48
(b) Trade receivables	2.15	10,655.98	12,682.97
(c) Cash and cash equivalents	2.16	128.75	246.60
(d) Short-term loans and advances	2.17	7,681.54	1,702.37
		56,923.69	43,500.41
Total		61,306.17	48,848.38
Significant Accounting Policies, Notes to the Financial Statements	1 & 2		

As per our report of even date

For and on behalf of the Board

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

Raman Maroo
Managing Director
DIN: 00169152

Atul Maru
Jt. Managing Director
DIN: 00169264

S. Poosaidurai
Partner
Membership No.: 223754

Ankit Singh
Company Secretary
Membership No.: F8438

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Place : Mumbai
Date : May 6, 2016

Place : Mumbai
Date : May 6, 2016

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

Particulars	Note	(₹ in lacs)	
		For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations	2.18	37,489.98	32,345.08
Other Income	2.19	177.68	126.42
I. Total Revenue		37,667.66	32,471.50
EXPENDITURE			
Direct Operational Expenses	2.20	31,931.86	29,107.53
Changes in inventories	2.21	(9,588.70)	(8,823.41)
Employee benefit expense	2.22	2,327.07	1,850.17
Financial costs	2.23	2,282.70	2,120.72
Depreciation	2.10	369.61	367.71
Other expenses	2.24	1,842.39	1,520.94
II. Total Expenses		29,164.92	26,143.66
Profit before tax	(I - II)	8,502.74	6,327.84
Tax expense:			
(1) Current tax			
- Income Tax		3,082.02	2,359.25
- Wealth Tax		-	0.52
(2) Deferred tax	2.4	(13.55)	(165.29)
(3) Tax in respect of earlier years		-	27.33
Profit for the year		5,434.28	4,106.03
Share of Profit / (Loss) of LLP Subsidiaries		(151.67)	-
Share of Profit / (Loss) in Associate Company		(67.80)	(14.14)
Profit for the year after adjusting reserves of Associate		5,214.81	4,091.89
Earning per equity share:			
(1) Basic	2.1	19.18	17.35
(2) Diluted	2.1	19.18	17.35
Significant Accounting Policies, Notes to the Financial Statements	1 & 2		

As per our report of even date

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

S. Poosaidurai
Partner
Membership No.: 223754

Place : Mumbai
Date : May 6, 2016

For and on behalf of the Board

Raman Maroo
Managing Director
DIN: 00169152

Ankit Singh
Company Secretary
Membership No.: F8438

Place : Mumbai
Date : May 6, 2016

Atul Maru
Jt. Managing Director
DIN: 00169264

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Consolidated Cash Flow Statement

for the year ended March 31, 2016

Particulars	(₹ in lacs)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	8,502.74	6,327.84
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation & Amortisation expense	369.61	367.71
Financial Expenses	2,315.50	2,121.00
Interest Income	(175.74)	(103.31)
Dividend Income	(2.00)	(13.77)
(Profit) / Loss on sale of Tangible Fixed Assets	0.72	22.75
Unrealised Foreign Exchange (Gain)/Loss	(1.21)	38.68
Provision for Leave Encashment	16.53	(9.31)
Provision for Gratuity	34.65	2.28
Liabilities no longer required written back	(0.83)	(5.46)
Bad Debts written off	26.44	6.88
Operating Profit Before Working Capital Changes	11,086.42	8,755.30
Adjustments for changes in Working Capital		
Trade & Other Receivables	(3,136.58)	1,651.05
Inventories	(9,588.94)	(8,817.57)
Trade & Other Payables	47.88	(1,874.32)
Cash Generated from Operations	(1,590.97)	(285.53)
Taxes (Paid) / Rrefund (Net)	(2,690.43)	(2,740.72)
Cash Flow from Operating Activities	(4,281.39)	(3,026.26)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of fixed assets	3.20	11.72
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(491.07)	(221.63)
Dividend Income	2.00	13.77
Interest Income	175.74	103.31
Proceeds from sale of investments	5.00	-
(Investment) / Sale of Mutual Funds	800.00	(800.00)
(Investment) in Subsidiary LLPs	(4.55)	-
Loans given to LLP subsidiaries	(893.68)	(33.77)
Cash flow from Investing Activities	(403.36)	(926.60)

Consolidated Cash Flow Statement

for the year ended March 31, 2016 (Continue)

Particulars	(₹ in lacs)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Proceeds from Issuance of Share Capital	-	10,860.65
Increase / (Decrease) of Long term Borrowings	2,259.14	(976.71)
Increase / (Decrease) of Short term Borrowings	5,013.94	(3,539.92)
Dividend Paid	(324.25)	(99.24)
Tax on Dividend Paid	(66.41)	(16.87)
Financial Expenses	(2,315.50)	(2,121.00)
Cash flow from Financing activities	4,566.91	4,106.90
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(117.84)	154.05
Cash & Cash Equivalents at the beginning (Refer Note 2.17)	246.60	92.55
Cash & Cash Equivalents at the End (Refer Note 2.17)	128.75	246.60

As per our report of even date

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

S. Poosaidurai
Partner
Membership No.: 223754

Place : Mumbai
Date: May 6, 2016

For and on behalf of the Board

Raman Maroo
Managing Director
DIN: 00169152

Ankit Singh
Company Secretary
Membership No.: F8438

Place : Mumbai
Date : May 6, 2016

Atul Maru
Jt. Managing Director
DIN: 00169264

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

1 Background

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

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

Subsidiary/Associate concern	Date of Incorporation	Place of Incorporation	Proportion of effective ownership as on	
			March 31, 2016	March 31, 2015
Shemaroo Entertainment Inc. Wholly owned Subsidiary	March 15, 2007	United States of America	100%	100%
Shemaroo Entertainment (UK) Pvt. Ltd Wholly owned Subsidiary	July 8, 2009	United Kingdom	100%	100%
Shemaroo Films Pvt. Ltd Wholly owned Subsidiary	October 31, 2012	India	100%	100%
Contentino Media LLP Subsidiary LLP	August 25, 2015	India	65%	NA
Shemaroo Think Tank Entertainment LLP Subsidiary LLP	October 12, 2015	India	65%	NA
Vistaas Digital Media Private Limited Associate Company	September 17, 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 March 31, 2016

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.

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

Total

	As at March 31, 2016	As at March 31, 2015
	3,000.00	3,000.00
	2,718.22	2,718.22
	2,718.22	2,718.22

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, 2016		As at March 31, 2015	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	27,182,239	2,718.22	19,848,904	1,984.89
Shares Issued during the year	-	-	7,333,335	733.33
Shares outstanding at the end of the year	27,182,239	2,718.22	27,182,239	2,718.22

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

Name of Shareholder	Equity Shares			
	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Maroo	4,809,520	17.69%	4,809,520	17.69%
Mr. Atul Maru	4,809,520	17.69%	4,809,520	17.69%
Mr. Buddhichand Maroo	3,575,320	13.15%	3,575,320	13.15%
Copthall Mauritius Investment Limited	2,374,000	8.73%	23,40,000	8.61%
Technology And Media Group Pte. Ltd.	1,822,840	6.71%	1,822,840	6.71%
Mr. Hiren Gada	1,640,520	6.04%	1,640,520	6.04%
Total Shareholding	19,031,720	70.01%	18,997,720	69.89%

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 41,10372 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, 2016	As at March 31, 2015
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs)	5,214.81	4,091.89
Weighted Average number of equity shares used as denominator for calculating EPS	27,182,239	23,585,891
Basic and Diluted Earnings per share	19.18	17.35
Face Value per equity share	10.00	10.00

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

As per last Balance Sheet

14,340.81

4,213.50

Add : Securities premium credited on Share issue

-

10,127.31

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

As per last Balance Sheet

1,974.24

1,869.72

Add: Transferred from surplus in Statement of Profit and Loss

138.58

104.52

2,112.81**1,974.24****c. Foreign Currency Translation reserve (loss)****5.45****8.04****d. Surplus**

As per last Balance Sheet

12,694.13

9,379.47

(+) Profit for the year

5,214.81

4,091.89

(+) Transfer from General Reserve

-

(280.12)

Amount available for Appropriation

17,908.94

13,191.24

Appropriations:

(-) Transfer to General reserve

(138.58)

(104.52)

(-) Proposed Dividend

(380.55)

(326.19)

(-) Tax on Proposed Dividend

(77.47)

(66.41)

17,312.34**12,694.13****Total****33,771.41****29,017.22****Note 2.3****Long-term borrowings****Term loans**

From banks

Secured

2,291.29

32.15

Total**2,291.29****32.15**

(₹ 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 ₹ 41.29 lacs (March 31, 2015: ₹ 32.15 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.
- ii) Fresh Term loans taken from SBI amounting to ₹ 2250 lacs for purchasing specified copy rights.

Terms of Repayment

Repayable in equal monthly installments commencing as per repayment schedule of the bank.

Repayable in quarterly installments of ₹ 450 lacs as scheduled.

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

Related to Fixed Assets

Allowances under the Income Tax Act, 1961

Total

	As at March 31, 2016	As at March 31, 2015
	422.20	427.58
	246.86	255.03
	<u>669.06</u>	<u>682.61</u>

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

Provision for leave Encashment

Total

	As at March 31, 2016	As at March 31, 2015
	67.15	54.00
	<u>67.15</u>	<u>54.00</u>

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

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

(b) Bank Overdraft

Unsecured

(c) Loans and Advances from (Unsecured)

- Directors

- Inter Corporate Deposits

Total

	As at March 31, 2016	As at March 31, 2015
	8,070.03	6,662.91
	5,223.30	2,111.65
	<u>5,223.30</u>	<u>2,111.65</u>
	1,688.16	1,034.28
	455.00	732.00
	<u>2,143.16</u>	<u>1,766.28</u>
	<u>15,436.49</u>	<u>10,540.84</u>

(₹ in lacs), except as otherwise stated

Note 2.7**Trade payables**

Trade Payables

Total

	As at March 31, 2016	As at March 31, 2015
	1,020.48	1,648.33
	<u>1,020.48</u>	<u>1,648.33</u>

Note 2.8**Other current liabilities**

(a) Current Maturities of Long-Term debt (Secured)

Term Loan from Banks

(b) Short Term Loan

Unsecured

(c) Creditors for Capital Expenditure

(d) Interest Accrued and due

(e) Others*

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

Total

	As at March 31, 2016	As at March 31, 2015
	1,834.01	26.32
	1,677.29	3,122.50
	74.53	45.91
	43.30	3.19
	305.91	190.93
	<u>3,935.04</u>	<u>3,388.85</u>

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

i) Term loans from bank amounting to ₹ 34.01 lacs (March 31, 2015: ₹ 26.32 lacs) is secured by hypothecation of the motor vehicles against which loan has been taken.

ii) Fresh Term loans taken from SBI amounting to ₹ 1800 lacs for purchasing specified copy rights.

Terms of Repayment

Repayable in equal monthly installments commencing as per repayment schedules of the banks.

Repayable in quarterly installments of ₹ 450 lacs as scheduled.

Note 2.9**(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, 2016	As at March 31, 2015
	48.78	14.13
	6.00	2.61
	0.59	0.67
	10.77	10.07
	0.01	0.01
	<u>66.15</u>	<u>27.50</u>
	871.18	345.53
	382.48	326.19
	77.47	66.41
	-	0.52
	<u>1,331.14</u>	<u>738.64</u>
	<u>1,397.29</u>	<u>766.14</u>

Note 2.10: Fixed Assets (₹ in lacs)

Particulars	Gross Block			Depreciation			Net Block	
	As on April 01, 2015	Additions	Deductions	As on March 31, 2016	As on April 01, 2015	For the year	As on March 31, 2016	As on March 31, 2015
Tangible Assets								
Office Building*	981.96	-	-	981.96	174.00	15.99	189.99	807.96
Plant & Machinery	4,183.42	233.02	53.74	4,362.72	2,378.17	261.99	2,640.19	1,805.25
Furniture & Fixtures	415.80	15.36	-	431.16	306.76	39.47	346.23	109.04
Motor Vehicle	249.10	66.74	-	315.84	101.28	26.39	77.85	147.82
Total Tangible Assets (A)	5,830.28	315.12	53.74	6,091.68	2,960.21	343.85	3,254.26	2,870.07
Intangible Assets								
Software	262.23	37.73	-	299.96	182.25	25.76	208.01	79.99
Total In-Tangible Assets (B)	262.23	37.73	-	299.96	182.25	25.76	208.01	79.99
Total Assets (A) + (B)	6,092.51	352.85	53.74	6,391.64	3,142.46	369.61	3,462.27	2,950.06
Previous Year								
Tangible Assets	5,752.23	187.56	109.45	5,830.28	2,433.97	601.28	2,960.21	3,318.27
Intangible Assets	228.17	34.07	-	262.23	135.42	46.82	182.25	92.74
Previous Year	5,980.40	221.63	109.45	6,092.51	2,569.39	648.11	3,142.45	3,411.01
Capital WIP								
Tangible Assets								
Intangible Assets								
							130.24	-
							7.99	-

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

(₹ in lacs), except as otherwise stated

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

Vistaas Digital Media Private Limited

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

Add:- Goodwill

Less:- Share of Loss

Closing Balance as at period / year end

- Investment in LLP

Long Term Investment in Subsidiary LLP

Shemaroo Think Tank Entertainment LLP

Long Term Investment in Subsidiary LLP

Contentino Media LLP

Investment in LLP (Current A/c)

Less : Loss in LLP Subsidiaries

Quoted equity instruments**- Investment in Mutual Fund Units****(b) Other Investments (valued at cost)**

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

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

Total**Aggregate amount of unquoted investments**

	As at March 31, 2016	As at March 31, 2015
	45.00	45.00
	1,016.39	1,016.39
	(259.00)	(191.20)
	802.39	870.19
	0.65	-
	0.65	-
	3.25	-
	(151.67)	-
	147.12	800.00
	5.00	5.00
	-	5.00
	5.00	810.00
	660.27	1,680.19
	660.27	1,680.19

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

Unsecured Considered Good

(b) Other loans and advances

Loans to Others

Loans to employees

Prepaid Expenses

Total

	As at March 31, 2016	As at March 31, 2015
	36.97	110.68
	36.97	110.68
	604.63	599.65
	5.51	2.89
	-	-
	610.14	602.54
	647.11	713.22

(₹ 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, 2016	As at March 31, 2015
	7.50	4.50
Total	<u>7.50</u>	<u>4.50</u>

Note 2.14**Inventories**

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

Total

	As at March 31, 2016	As at March 31, 2015
(a) Copyrights	37,960.17	28,407.83
(b) Movies under Production	345.28	287.88
(c) DVDs, VCDs & ACDs	151.97	172.77
Total	<u>38,457.41</u>	<u>28,868.48</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, 2016	As at March 31, 2015
a) More than Six months	384.00	666.34
b) Other receivables	10,271.98	12,016.63
Total	<u>10,655.98</u>	<u>12,682.97</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, 2016	As at March 31, 2015
(a) Balances with Bank		
On Current Accounts	80.89	134.13
Deposit with original maturity of less than three months	0.13	-
(b) Cash on Hand	9.73	11.79
(c) Other Balances with Bank		
Deposit with maturity of Less than 12 months but more than 3 months	38.00	67.56
Deposit with maturity of more than 12 months	-	33.12
Total	<u>128.75</u>	<u>246.60</u>

(₹ in lacs), except as otherwise stated

	As at March 31, 2016	As at March 31, 2015
Note 2.17		
Short-term loans and advances		
(a) Loans and advances to related parties		
Unsecured Considered Good	775.38	-
	<u>775.38</u>	<u>-</u>
(b) Other loans and advances		
Withholding and Other Taxes Receivable	283.17	166.06
Advances paid for Supply of Goods and Rendering of Services	6,404.31	1,208.90
Balance with Customs, Central Excise Authorities	106.91	241.28
Prepaid Expenses	70.04	62.99
Loans to employees	41.74	23.14
	<u>6,906.16</u>	<u>1,702.37</u>
Total	<u>7,681.54</u>	<u>1,702.37</u>
	As at	As at
	March 31, 2016	March 31, 2015
Note 2.18		
Revenue from operations		
(a) Sale of Rights	36,177.39	30,618.83
(b) Sale of Products	531.79	878.38
(c) Income from Services	691.20	693.37
(d) Other Operating Revenue	89.61	154.50
	<u>37,489.98</u>	<u>32,345.08</u>
Total	<u>37,489.98</u>	<u>32,345.08</u>
	As at	As at
	March 31, 2016	March 31, 2015
Note 2.19		
Other Income		
(a) Interest	143.33	103.31
(b) Dividend		
- Others (Non-Trade Investments)		
From Current Investments	1.10	12.93
Long Term Investments	0.90	0.84
(c) Profit on Sale of Investments	-	0.77
(d) Others	17.27	8.57
(e) Foreign Exchange Fluctuation Gain (net)	15.08	-
	<u>177.68</u>	<u>126.42</u>
Total	<u>177.68</u>	<u>126.42</u>

(₹ in lacs), except as otherwise stated

Note 2.20**Direct Operational Expenses**

	As at March 31, 2016	As at March 31, 2015
(a) Purchases	28,658.21	27,376.22
(b) Works Cost	3,273.65	1,731.30
Total	<u>31,931.86</u>	<u>29,107.53</u>

Note 2.21**Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

	As at March 31, 2016	As at March 31, 2015
(a) Inventories (at close)	38,457.41	28,788.51
(b) Inventories (at commencement)	28,868.71	19,965.10
Total	<u>(9,588.70)</u>	<u>(8,823.41)</u>

Note 2.22**Employee benefit expense**

	As at March 31, 2016	As at March 31, 2015
Salaries, Bonus and Allowances	2,145.42	1,746.58
Contribution to Provident & Other funds	131.33	73.42
Staff Welfare Expenses	50.32	30.17
Total	<u>2,327.07</u>	<u>1,850.17</u>

Note 2.23**Financial costs****Interest expense**

Borrowings	2,137.83	2,040.35
------------	----------	----------

Other Borrowing Costs

Bank & Other Finance Charges	144.87	80.37
Total	<u>2,282.70</u>	<u>2,120.72</u>

(₹ in lacs), except as otherwise stated

	As at March 31, 2016	As at March 31, 2015
Note 2.24		
Other expenses		
Bad debts written off	26.44	6.88
Business Development Expenses	86.86	56.16
Communication Expenses	51.06	45.07
Directors Fees	3.20	0.80
Donations	85.98	58.48
Electricity Expenses	149.71	138.70
Foreign Exchange Fluctuation Loss (Net)	-	3.00
Interest on Government Dues	5.20	37.71
General Expenses	553.35	417.41
Insurance Charges	51.31	51.92
Legal, Professional and Consultancy Fees	272.01	232.29
Auditors Remuneration	11.05	9.80
Rents, Rates and Taxes	35.34	34.91
Repairs and Maintenance		
Repairs and maintenance - Machinery	22.17	39.90
Repairs and maintenance - Others	92.42	91.76
Security Charges	28.15	28.75
Selling Expenses	249.92	159.73
Travelling & Conveyance	117.51	84.91
Loss on Sale of Fixed Assets	0.72	22.75
Total	1,842.39	1,520.94

2.25 Related party disclosures

a Names of related parties and description of relationship

Key Management Personnel:	<p>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</p>
Relatives of Key Management Personnel:	<p>Mrs. Leelaben Maroo (wife of Mr. Buddhichand Maroo) Mrs. Kastur Maroo (wife of Mr. Raman Maroo) Mrs. Sangeeta Maru (wife of Mr. Atul Maru) Mrs. Radhika Maroo (daughter of Mr. Raman Maroo) Ms. Nirvi Maru (daughter of Mr. Atul Maru) Ms. Urvi Maru (daughter of Mr. Atul Maru) Mrs. Madhuri Gada (wife of Mr. Hiren Gada) Mrs. Varsha Karani (wife of Mr. Vinod Karani) Mrs. Harashada Karani (wife of Mr. Hemant Karani) Ms. Sneha Karani (Daughter of Mr. Hemant Karani)</p>
Entities having Common Control:	<p>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.</p>
Associate Company:	<p>Vistaas Digital Media Private Limited</p>

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	Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
	(₹ in lacs)							
Purchase of Goods & Services	-	-	180.07	214.88	72.35	121.25	252.41	336.13
Sneha Arts	-	-	40.91	27.85	-	-	40.91	27.85
Think Walnut Digital Private Limited	-	-	139.16	187.03	-	-	139.16	187.03
Vistaas Digital Media Private Limited	-	-	-	-	72.35	121.25	72.35	121.25
Remuneration to Directors	115.11	119.38	-	-	-	-	115.11	119.38
Raman Maru	41.66	43.22	-	-	-	-	41.66	43.22
Atul Maru	41.66	43.22	-	-	-	-	41.66	43.22
Hiren Gada	31.79	32.94	-	-	-	-	31.79	32.94
Salaries	304.62	187.31	-	-	-	-	304.62	187.31
Bipin Dharod	30.28	18.51	-	-	-	-	30.28	18.51
Hemant Karani	55.20	24.52	-	-	-	-	55.20	24.52
Ketan Maroo	36.23	22.52	-	-	-	-	36.23	22.52
Harakhchand Gada	25.15	17.31	-	-	-	-	25.15	17.31
Vinod Karani	86.44	30.54	-	-	-	-	86.44	30.54
Smita Maroo	29.83	30.18	-	-	-	-	29.83	30.18
Mansi Maroo	4.63	4.63	-	-	-	-	4.63	4.63
Kranti Gada	17.74	23.02	-	-	-	-	17.74	23.02
Ankit Singh	19.12	16.08	-	-	-	-	19.12	16.08
Directors Sitting Fees	1.40	0.40	-	-	-	-	1.40	0.40
Buddhichand Maroo	0.60	0.20	-	-	-	-	0.60	0.20
Jai Maroo	0.80	0.20	-	-	-	-	0.80	0.20
Interest Paid (on Loans)	157.83	130.94	-	-	-	-	157.83	130.94
Raman Maroo	72.58	50.45	-	-	-	-	72.58	50.45

(₹ in lacs), except as otherwise stated

Note 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	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
	(₹ in lacs)							
Atul Maru	69.19	62.60	-	-	-	-	69.19	62.60
Hiren Gada	0.12	1.36	-	-	-	-	0.12	1.36
Buddhichand Maroo	-	0.52	-	-	-	-	-	0.52
Jai Maroo	15.94	14.86	-	-	-	-	15.94	14.86
Smita Maroo	-	1.15	-	-	-	-	-	1.15
Dividend	196.87	82.03	21.87	9.11	-	-	218.74	91.14
Atul Maru	57.71	24.05	-	-	-	-	57.71	24.05
Bipin Dharod	0.49	0.21	-	-	-	-	0.49	0.21
Buddhichand Maroo	42.90	17.88	-	-	-	-	42.90	17.88
Harakhchand Gada	0.39	0.16	-	-	-	-	0.39	0.16
Hemant Karani	0.79	0.33	-	-	-	-	0.79	0.33
Hiren Gada	19.69	8.20	-	-	-	-	19.69	8.20
Jai Maroo	14.81	6.17	-	-	-	-	14.81	6.17
Ketan Maru	0.98	0.41	-	-	-	-	0.98	0.41
Raman Maroo	57.71	24.05	-	-	-	-	57.71	24.05
Technology and Media Group PTE. Ltd.	-	-	21.87	9.11	-	-	21.87	9.11
Vinod Karani	1.38	0.57	-	-	-	-	1.38	0.57
Advances / Loans Given during the year	15.00	-	-	-	-	-	15.00	-
Vinod Karani	15.00	-	-	-	-	-	-	-
Loans Taken during the year	1,353.85	1,114.98	-	-	-	-	1,353.85	1,114.98
Atul Maru	698.25	744.90	-	-	-	-	698.25	744.90
Buddhichand Maroo	-	18.00	-	-	-	-	-	18.00
Jai Maroo	14.30	20.52	-	-	-	-	14.30	20.52
Raman Maroo	641.30	322.04	-	-	-	-	641.30	322.04

(₹ in lacs), except as otherwise stated

Note 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	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
	(₹ in lacs)							
Hiren Gada	-	9.52	-	-	-	-	-	9.52
Other Income	-	-	0.69	1.80	-	-	0.69	1.80
Shemaroo Corporation	-	-	0.69	1.80	-	-	0.69	1.80
Dues from Related Parties	15.00	9.50	-	-	-	-	15.00	9.50
Vinod Karani	15.00	9.50	-	-	-	-	15.00	9.50
Dues to Related Parties	1,688.16	1,034.28	60.71	139.36	33.03	40.28	1,781.90	1,213.91
Atul Maru	777.59	434.94	-	-	-	-	777.59	434.94
Hiren Gada	-	8.52	-	-	-	-	-	8.52
Jai Maroo	139.12	132.82	-	-	-	-	139.12	132.82
Raman Maroo	771.45	458.00	-	-	-	-	771.45	458.00
Sneha Arts	-	-	25.60	9.92	-	-	25.60	9.92
Think Walnut Digital Private Limited	-	-	35.11	129.44	-	-	35.11	129.44
Vistaas Digital Media Private Limited	-	-	-	-	33.03	40.28	33.03	40.28
Personal Guarantees Taken against Bank Loans	72,500.00	50,000.00	-	-	-	-	72,500.00	50,000.00
Atul Maru	14,500.00	10,000.00	-	-	-	-	14,500.00	10,000.00
Buddhichand Maroo	14,500.00	10,000.00	-	-	-	-	14,500.00	10,000.00
Jai Maroo	14,500.00	10,000.00	-	-	-	-	14,500.00	10,000.00
Raman Maroo	14,500.00	10,000.00	-	-	-	-	14,500.00	10,000.00
Hiren Gada	14,500.00	10,000.00	-	-	-	-	14,500.00	10,000.00
Others	72,500.00	50,000.00	-	-	-	-	72,500.00	50,000.00

(₹ in lacs), except as otherwise stated

2.26 Gratuity Benefits as per AS 15 (Revised)

Particulars	March 31, 2016	March 31, 2015
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method
Data Summary and Analysis		
Number of Employees	391	335
Total Monthly Salary	78.83	56.10
Average Salary	20,160.96	16,745.97
Average Age	33.88 years	34.09 years
Average Past Service	5.61 years	6.36 years
Valuation Results	279.01	232.68
Discontinuance Liability	274.66	206.05
Other Results		
Average Future Service	17 years	16.74 years
Current & Non-Current Liability		
Funding Status	Funded	Funded
Fund Balance	225.88	191.92
Current Liability	48.78	14.13
Non-Current Liability	-	191.92
Valuation Assumptions		
(i) Financial Assumptions		
Salary Escalation Rate :	8.00% p.a.	8.00% p.a.
Discount Rate :	8.08% p.a. (indicative G.Sec referenced on 31/03/2016)	7.77% p.a. (indicative G.Sec referenced on 31/03/2015)
(ii) Demographic Assumptions		
Mortality Rate :	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate :	3.00% p.a. for all service groups	3.00% p.a. for all service groups
Valuation Inputs		
Retirement Age	60 years	60 years
Vesting Period	5 years	5 years

Benefit Scheme (2016-17)

15 days salary for each year of service subject to a maximum of ₹ 10,00,000/-

The formula to calculate day's salary is $1/26 \times \text{monthly salary}$

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

Particulars	March 31, 2016	March 31, 2015
Employer's Contribution to Provident Fund	64.36	49.37
	64.36	49.37

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

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

2.29 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	Ex-change 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	66.33	6.63	(11.09)	2.12	2.12	-	-	(0.65)	-	(0.65)	NIL
2	Shemaroo Entertainment (Uk) Private Limited	GBP	95.09	34.23	(291.43)	102.08	102.08	-	6.41	(106.20)	-	(106.20)	NIL
3	Shemaroo Films Private Limited	INR	1.00	100.00	(6.13)	94.42	94.42	-	-	(1.92)	-	(1.92)	NIL
4	Contentino Media Llp	INR	1.00	1.08	-	171.92	171.92	-	35.43	(3.17)	-	(3.17)	NIL
5	Shemaroo Think Tank Entertainment Llp	INR	1.00	1.00	(263.13)	381.13	381.13	-	-	(265.36)	-	(265.36)	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 Consolida-tion	Not Considered in Consolida-tion
1	Vistaas Digital Media Private Limited	31st March, 2016	45,000	1,061.39	50%	Strategic investment	Shemaroo Entertainment Limited is holding only as an strategic investment and does not exercise management control	180.74	(67.80)	NIL

2.30 Contingent Liabilities

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
Disputed Direct Tax Demands	97.59	75.24
Disputed Indirect Tax Demands	154.64	161.01
Legal Cases against the company	243.07	227.48
	495.31	463.73

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.

2.31 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

S. Poosaidurai
Partner
Membership No.: 223754

Ankit Singh
Company Secretary
Membership No.: F8438

Hiren Gada
Whole Time Director & CFO
DIN: 01108194

Place : Mumbai
Date : May 6, 2016

Place : Mumbai
Date : May 6, 2016



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

Notice is hereby given that the 11th (Eleventh) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Monday, September 26, 2016, at 04:00 p.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001**, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2016 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. Hiren Gada (DIN: 01108194), who retires by rotation and being eligible, offers himself for re-appointment.
4. **Re-appointment of Auditors**

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 Section 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s M. K. Dandekar & Co., Chartered Accountants (ICAI Reg. No. 000679S) be and are hereby re-appointed as the auditors of the Company, to hold office for a term of 5 years from the conclusion of this 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

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 Section 188 and other applicable provisions, if any, of the

Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the consent of Company be and is hereby accorded to re-appoint Ms. Smita Maroo, who is a relative of Mr. Buddhichand Maroo, Chairman and Mr. Jai Maroo, Non – Executive Director of the Company, as Senior Vice - President Animation, Kids Digital, L&M Department of the Company, for a total remuneration not exceeding ₹ 6,00,000 p.m. including allowances, provident fund and perquisites as admissible to the status and grade, for the period of five years with effect from April 01, 2017 to March 31, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to re-designate and / or re-allocate the duties and responsibilities of Ms. Smita Maroo, to promote her to higher grades, to grant increments and / or to alter and vary from time to time the terms of her remuneration as aforesaid and to finalise and from time to time, to alter and vary, the terms and conditions of her appointment, in accordance with the general policy of the Company, as it may deem fit and proper.”

6. 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 Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to re-appoint Ms. Kranti Gada, who is a relative of Mr. Hiren Gada, Whole Time Director & CFO of the Company, as Senior Vice-President - New Business Development Department of the Company, for a total remuneration not exceeding ₹ 6,00,000 p.m. including allowances, provident fund and perquisites as admissible to the status and grade, for the period of five years with effect from April 01, 2017 to March 31, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to re-designate and / or re-allocate the duties and responsibilities of Ms. Kranti Gada, to promote her to higher grades, to grant increments and / or to alter and vary from time to time the

terms of her remuneration as aforesaid and to finalise and from time to time, to alter and vary, the terms and conditions of her appointment, in accordance with the general policy of the Company, as it may deem fit and proper.”

Notes:

1. The Explanatory Statement setting out details relating to the special business to be transacted at the Annual General Meeting, pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. The profile of the Directors seeking appointment / re-appointment, as required in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) is annexed.
2. **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, stamped 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.
3. 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.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. and hand it over at the Registration Counter at the venue.
5. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 20, 2016 to Monday, September 26, 2016 (both days inclusive) for determining the names of members eligible for final dividend on Equity Shares, if declared at the Meeting.
6. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after Monday, September 26, 2016 (within the statutory time limit of 30 days).
7. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 be available for inspection by the members at the Annual General Meeting.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Link Intime (India) Private Limited (LIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIPL.
9. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to LIPL.
10. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIPL for assistance in this regard.
11. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board’s report etc. and this Notice are being sent by electronic mode, to those members who have registered their e-mail addresses with their respective depository participants or with the Company’s Registrar and Transfer Agents, unless any member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies has been sent at their registered postal address. In case any member wishes to get a physical copy of the Annual Report, member may send request to investor_services@shemaroo.com mentioning your Folio/DP ID & Client ID.
12. 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 LIPL (in case of Shares held in physical form).
13. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2016 will also be available on the Company’s website www.shemarooent.com for their download. All the documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00

a.m and 1.00 p.m. up to the date of Annual General Meeting.

14. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
15. In terms of Section 123 of the Companies Act, 2013 and Sections 205A and 205C of the Companies Act, 1956, the unclaimed or unpaid dividend, application money remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). The detailed history and due dates for transfer to IEPF is published in this Annual Report under the section titled, 'Board's Report. Members who have valid claim for unclaimed dividends / application money which are not yet transferred, may claim the same from the Company immediately.
16. Members who wish to obtain further information on the financial statements for the year ended March 31, 2016, may send their queries at least 7 days before the AGM to the Company Secretary / Compliance Officer of the Company at the registered office of the Company or at investor_services@shemaroo.com
17. Members are requested to send all communications relating to shares, bonds and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:
LINK INTIME (INDIA) PRIVATE LIMITED
(Unit: Shemaroo Entertainment Limited)
C-13 Pannalal Silk Mills Compound,
L B S MARG, Bhandup (West), Mumbai - 400078
Tel No.: +91 22 25963838, Fax: +91 22 25946969
18. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).
19. Route map showing directions to reach the venue of the 11th AGM is given at the end of this Notice.
20. 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.
21. The Company is providing the facility of ballot form in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to those shareholder, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. Duly completed Ballot form shall be send to the Scrutinizer appointed by the Board of Directors of the Company, at the Registered Office of the Company not later than September 25, 2016 (5.00 p.m.). Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and

holding shares as on the cut-off date i.e. September 19, 2016 have the option to download the same form the website of the company or request for physical copy of the Ballot form by sending an email to investors_services@shemaroo.com by mentioning their Folio No./ DP ID and Client ID No. The Ballot form received after September 25, 2016 (5.00 p.m.) will be treated as invalid.

22. The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM either through electronic voting system or polling paper. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
23. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their vote at the 11th AGM by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting), from a place other than the venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the business as detailed in the notice.

The instructions for e-voting are as under:

- A. In case a member receives an e-mail from NSDL [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:
 - I. Open the attached PDF file, namely, "e-Voting.pdf." giving your Client ID or Folio No. as passwords. The said file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
 - II. Launch internet browser and open <https://www.evoting.nsd.com>.
 - III. Click on Shareholder – Login
 - IV. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - V. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - VI. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
 - VII. Select "EVEN" (E-voting Event Number) of Shemaroo Entertainment Limited. Now you are ready for e-voting as Cast votes page opens.
 - VIII. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

- IX. Upon confirmation, the message "Vote cast successfully" will be displayed.
- X. Once the vote on a resolution is cast, the Members shall not be allowed to change it subsequently.
- XI. Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the Board Resolution together with their attested specimen signatures authorizing their representative to vote on their behalf at the AGM to the Company through an e-mail on investors_services@shemaroo.com
- XII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- B. In case a member receives physical copy of the Notice convening the AGM [for members whose e-mail addresses are not registered with the Company/ Depository Participant(s)]:
- i) User ID and password – Printed Overleaf
 - ii) Please follow all steps from I to XII as mentioned in (A) above to cast your vote.
- C. Other Instructions:
- i) The e-voting period commences on Friday, September 23, 2016 (9:00 a.m. IST) and ends on Sunday, September 25, 2016 (5:00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on September 19, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
 - ii) Any person, who acquires shares of the Company and becomes a member of the Company after the dispatch of the Notice and holding shares as of cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Passwords" option available on www.evoting.nsdl.com.
 - iii) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 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.
- iv) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.shemarooent.com and on the website of NSDL www.evoting.nsdl.com immediately after the results is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

By Order of the Board of Directors

Ankit Singh

Company Secretary & Compliance Officer
(FCS No.: 8438)

Registered Office:

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

Mumbai, May 06, 2016

EXPLANATORY STATEMENT

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

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

Item No. 3

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

Name of the Director	Mr. Hiren Gada
Date of Birth	August 01, 1970
Nationality	Indian
Director Identification Number	01108194
Date of appointment	May 26, 2008
Brief Resume and Experience	<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.</p> <p>Mr. Hiren Gada has approximately 20 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for the last 13 years. He handles the Strategy and Finance functions in our Company. Given his strong technical background, he is in charge of expanding Shemaroo's reach on digital distribution platforms such as IPTV, VOD, Mobile, Internet, OTT and so on. He has also led the Company's presence on the International front and has helped set up some of the newer business areas that the Company has entered into. He also represents the company in various industry associations such as 'Indian Council of Impex For Films & TV Programmers' and 'The Film & Television Producer's Guild of India Ltd'.</p> <p>Prior to joining the Company he had headed the Investment research activities with an equity brokerage house. 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. He has received the 'Hall of Fame' Award from Welingkar Institute of Management in 2006.</p>
No. of shares held in the Company	1640520

List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	-
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Shemaroo Entertainment Limited	Members of Audit & Corporate Social Responsibility Committee - Shemaroo Entertainment Ltd.
Inter-se relationships with other Directors / KMP's	Ms. Kranti Gada

Item No. 5

The members of the Company had by Special Resolution passed on March 11, 2011, granted their approval for Ms. Smita Maroo [relative of Mr. Buddhichand Maroo (Chairman & Non- Executive Director) and Mr. Jai Maroo (Non- Executive Director)] to hold office of profit in the Company, for a period of 5 years commencing from April 01, 2011 up to March 31, 2016, and for the payment of remuneration, subject to the approval of the Central Government, pursuant to the requirements of Section 314 of the erstwhile Companies Act, 1956. In response to the Company's application, the Central Government had granted its approval on May 31, 2011. Accordingly, Ms. Smita Maroo, was appointed to hold such office in the Company and has been paid remuneration within the limits approved by the Central Government. Ms. Smita Maroo is presently designated as Senior Vice President - Animation, Kids Digital, L&M Department of the Company.

In terms of section 188 of the Companies Act, 2013 ('the Act') read with the provisions of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members is required to be sought for the appointment of a related party to any office or place of profit in the Company, where the monthly remuneration paid for such office exceeds ₹2,50,000/- (Rupees Two Lakhs Fifty Thousand).

Ms. Smita Maroo holds a Masters in Management Information Systems from Nova Southeastern University (NSU), Florida, USA as well as a Masters in Management Studies with a major in Finance from Mumbai University, Mumbai, India. Ms. Smita Maroo, a Key Managerial Personnel of the Company has approximately 13 years of experience in the Media and Entertainment industry. She has been associated with our Company since 2002 and currently heads the Animation Business and has also ventured into movie-related licensing and merchandising business for the Company. In addition to creating entertainment and pre-schooler content for Kids, she is currently handling the entire Digital Kids Content vertical for

Shemaroo. In the earlier business roles, she has spearheaded other initiatives like Marketing Services, Content Division, complete handling of the Shemaroo website and Online Division- E-Commerce initiatives and the Song Compilation Catalog and related activities in the Home Video Division of the Company.

She has also been Producer of several films under Shemaroo Banner, viz. Kuch Meetha Ho Jayee, Omkara, Manorama 6 feet under, Mera Baap Pehle Aap and more. She started the Animation division, wherein she has produced and co-Directed films like Bal Ganesh, Ghatothkach-Master of Magic, Bal Ganesh 2, Super 7, Super K, Veer Abhimanyu, Ghatothkach 2 and Bal Ganesh 3. She has built a successful brand and franchise for Bal Ganesh and has several awards to her credit like the Lil Star Awards for "Bal Ganesh" under 2 categories for Best Animation Film and Best Animated Character, has won FICCI-BAF Awards 2010 for Outstanding Effort and Commitment for "Bal Ganesh 2" under the Animated Feature Film (Theatrical Release) Category, Dadasaheb Phalke Film Festival Awards for Best Screenplay and Best Animation Jury for "Bal Ganesh 3", and Nashik International Film Festival Award for Best Animation Film "Bal Ganesh 3." Other awards won include Nashik International Film Festival Award and Noida International Film Festival Award for Best Animated Film "Ghatothkach 2", Dadasaheb Phalke Film Festival Award for Best Animated Films "Super K" and "Veer Abhimanyu."

Her leadership has made Shemaroo one of the foremost players in the Indian Animation Industry. Her business acumen and 360 degree approach in creation, marketing and distribution is currently paving the path for International Co-productions. She is also rapidly building the YouTube channels in the Kids space.

The Nomination and Remuneration Committee in its meeting held on May 06, 2016 has approved the resolution Your directors in their meeting held on May 06, 2016 have approved the re-appointment along with revision in salary for a total remuneration not exceeding ₹6,00,000 p.m. including allowances, provident fund and perquisites as admissible to the status and grade, for the period of five years with effect from April 01, 2017 to March 31, 2022.

Your Board believes that Ms. Smita Maroo is fit for successfully handling this responsibility, given her experience, expertise and capabilities and recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the said resolution, except Mr. Buddhichand Maroo and Mr. Jai Maroo, Directors of the Company, and Technology and Media Group Pte. Ltd. - Promoter Group Company, they being related to Ms. Smita Maroo.

The resolution passed by the shareholders on March 11, 2011, and the approval of the Central Government dated May 31, 2011 referred to hereinabove, are available for inspection.

Item No.6

The members of the Company had by Special Resolution passed on March 11, 2011, granted their approval for Ms. Kranti Gada (relative of Mr. Hiren Gada, Whole Time Director & CFO) to hold office of profit in the Company, for a period of 5 years commencing from April 01, 2011 up to March 31, 2016,

and for the payment of remuneration, subject to the approval of the Central Government, pursuant to the requirements of Section 314 of the erstwhile Companies Act, 1956. In response to the Company's application, the Central Government had granted its approval on May 31, 2011. Accordingly, Ms. Kranti Gada, was appointed to hold such office in the Company and has been paid remuneration within the limits approved by the Central Government. Ms. Kranti Gada is presently designated as Senior Vice-President - New Business Development Department of the Company.

In terms of section 188 of the Companies Act, 2013 ('the Act') read with the provisions of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members is required to be sought for the appointment of a related party to any office or place of profit in the Company, where the monthly remuneration paid for such office exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand).

Ms. Kranti Gada holds a Masters of Management Studies and Bachelors' of Commerce from Mumbai University. Ms. Kranti Gada, a Key Managerial Personnel of the Company has more than 9 years of work experience. Prior to joining our Company she has worked with Pepsico India Holdings Private Limited as Asst. Brand Manager - Kurkure. She has been associated with our Company since 2006.

Ms. Kranti Gada with her rich experience has developed good understanding of the business of the Company and set in place systems and processes for the business of the Company. Presently, she is responsible for setting up a New Business Development Division (NBD) of the Company, focusing on developing new revenue streams for the Company. The Company has, under her leadership, launched several innovative services, viz. Miniplex - A movie premiering service, Devotional, Comedy and other services across DTH platforms and other numerous innovative mobile applications.

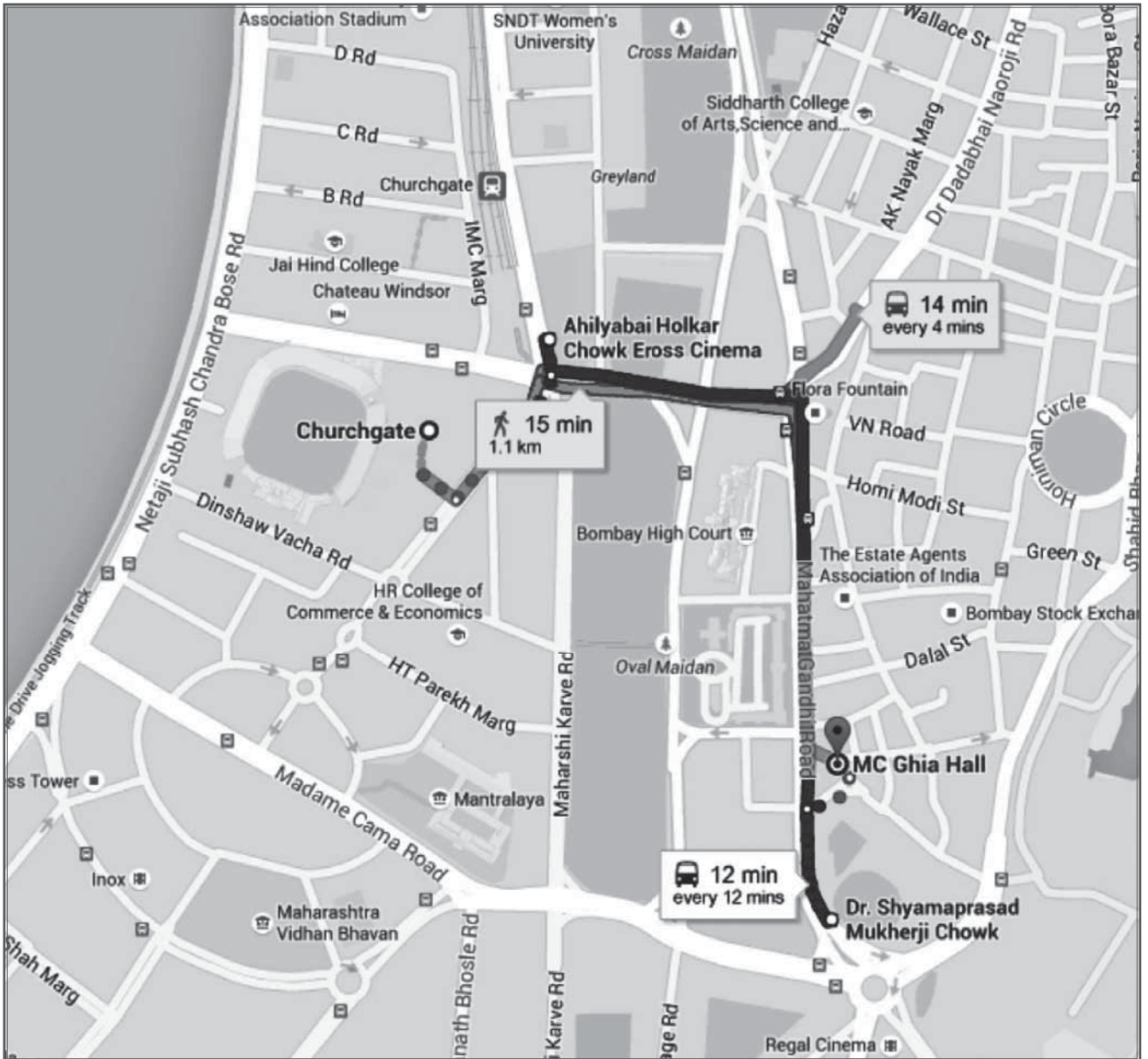
The Nomination and Remuneration Committee in its meeting held on May 06, 2016 has approved the resolution Your directors in their meeting held on May 06, 2016 have approved the re-appointment along with revision in salary for a total remuneration not exceeding ₹6,00,000 p.m. including allowances, provident fund and perquisites as admissible to the status and grade, for the period of five years with effect from April 01, 2017 to March 31, 2022.

Looking at exceptional performance and entrepreneurship skills of Ms. Kranti Gada and responsibility of the position she is holding, recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the said resolution, except Mr. Hiren Gada, Director of the Company, they being related to Ms. Kranti Gada.

The resolution passed by the shareholders on March 11, 2011, and the approval of the Central Government dated May 31, 2011 referred to hereinabove, are available for inspection.

ROUTE MAP FOR 11TH ANNUAL GENERAL MEETING VENUE



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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

Name of the Member(s) : _____

Registered Address : _____

DP ID*	
CLIENT ID*	

FOLIO NO.	
NO. OF SHARES	

I hereby record my presence at the ELEVENTH (11th) ANNUAL GENERAL MEETING of the Company, at **M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001 at 04:00 p.m. on Monday, September 26, 2016.**

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

*Strikeout whichever is not applicable

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

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SHEMAROO ENTERTAINMENT LIMITED

CIN: L67190MH2005PLC158288

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

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

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 appoint1. 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 11th (Eleventh) Annual General Meeting of the Company to be held on Monday, September 26, 2016, at 04:00 p.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai – 400 001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 and the Directors and the Auditors' Report thereon.		
2. Declaration of final dividend		
3. Re-appointment of Mr. Hiren Gada (DIN: 01108194), who retires by rotation.		
4. Re-appointment of Statutory Auditors for a term of five years.		
5. Re-Appointment of Ms. Smita Maroo, holding office or place of profit for a period of five years.		
6. Re-Appointment of Ms. Kranti Gada, holding office or place of profit for a period of five years.		

Signed this _____ day of _____ 2016

Signature of proxy holder(s)_____
Signature of shareholder

Affix
₹ 1
Revenue
stamp

Notes :

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

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Shemaroo Entertainment Limited

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