



Ref No.: SEL / Reg. 34- LODR / Aug-2021 / 01

August 26, 2021

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 2020-21 together with the Notice for the 16<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Monday, September 20, 2021 at 04:00 P.M. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

The copy of the Annual Report is also available under the Investor's section on the Company's website at [www.shemarooent.com](http://www.shemarooent.com)

This is for your information and records.

Thanking you,

Yours faithfully,

**For Shemaroo Entertainment Limited**

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



**Encl.:- Annual Report for FY 2020-21**



## 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; Facsimile: +91 22 28519770; Email: investors\_services@shemaroo.com, Website: www.shemarooent.com

### NOTICE

Notice is hereby given that the 16<sup>th</sup> (Sixteenth) Annual General Meeting (AGM) of the members of Shemaroo Entertainment Limited will be held on **Monday, September 20, 2021, at 4.00 P.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")**, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2021 together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Buddhichand Maroo (DIN: 00169319), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jai Maroo (DIN: 00169399), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Mukund M Chitale & Co., Chartered Accountants, Statutory Auditors (FRN 106655W) for a term of five years and to fix their remuneration.

To consider, and if thought fit, to pass, with or without modifications, 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, and pursuant to recommendation of the Audit Committee of the Board, Mukund M Chitale & Co., Chartered Accountants, Statutory Auditors (FRN 106655W) be and is hereby appointed as the Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of this 16<sup>th</sup> Annual General Meeting till the conclusion of the 21<sup>st</sup> Annual General Meeting on such remuneration and terms and conditions as set out in the explanatory statement to this Notice."

#### SPECIAL BUSINESS:

5. **TO INCREASE THE AUTHORIZED SHARE CAPITAL OF THE COMPANY AND CONSEQUENTIAL AMENDMENT IN THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

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

**"RESOLVED THAT** pursuant to the provisions of section 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof for the time being in force), and provisions of the Articles of Association, the consent of the members be and is hereby accorded, to increase the Authorized Share Capital of the Company from existing Rs 30,00,00,000 (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs 10/- (Rupees Ten only) each to Rs 60,00,00,000/- (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs 10/- (Rupees Ten only) each ranking pari passu in all respect with the existing Equity Shares of the Company and consequently Clause No. V. a) of the Memorandum of Association of the Company be and is hereby substituted by the following:

**"a).** The Authorized Share Capital of the Company is Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company and/or a Committee thereof and/or Company Secretary be and are hereby authorized to do all such acts, deeds, matters and

things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions, difficulties or doubts that may arise in regard to the increase in Authorized Share Capital of the Company and consequent amendment in the Memorandum of Association of the Company as they may think fit.”

**6. APPROVAL OF PAYMENT OF REMUNERATION TO MR. RAMAN MAROO (DIN: 00169152) MANAGING DIRECTOR OF THE COMPANY:**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of members be and is hereby accorded for payment of following remuneration to Mr. Raman Maroo (DIN 00169152), Managing Director of the Company, [who was re-appointed at the 15<sup>th</sup> Annual General Meeting of the Company held on Tuesday, September 29, 2020 for a period of 5 (five) years with effect from January 01, 2021], for the financial year 2020-21 and during the remaining period of his present tenure i.e. for the period from April 01, 2021 to December 31, 2025, notwithstanding the remuneration payable exceed the limits prescribed under the aforesaid sections of the Act & SEBI Regulations and the rules and schedule V (Section II Item A) thereto:

A.	<b>Salary</b>	Rs. 4,50,000/- per month in the scale of Rs. 3,00,000/- to Rs. 10,00,000/-.  The annual increments will be effective from 1 <sup>st</sup> April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.
B.	<b>Perquisites</b>	i. Rent-free residential accommodation (furnished / non – furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses /allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not, exceed for each financial year, his annual salary.  The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.  ii. The Company’s contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.
C.	<b>Commission</b>	In addition to the salary, perquisites and allowances as set out above, Mr. Raman Maroo shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.
D.	<b>Minimum Remuneration</b>	If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, Remuneration paid by way of salary, perquisites, allowances and commission by the company will be treated as Minimum Remuneration payable as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.
E.	<b>Reimbursements of Expenses</b>	Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company’s business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable.”

**7. APPROVAL OF PAYMENT OF REMUNERATION TO MR. ATUL MARU (DIN: 00169264) JOINT MANAGING DIRECTOR OF THE COMPANY:**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of members be and is hereby accorded for payment of following remuneration to Mr. Atul Maru (DIN 00169264), Jt. Managing Director of the Company, [who was re-appointed at the 15<sup>th</sup> Annual General Meeting of the Company held on Tuesday, September 29, 2020 for a period of 5 (five) years with effect from January 01, 2021], for the financial year 2020-21 and during the remaining period of his present tenure i.e. for the period from April 01, 2021 to December 31, 2025, notwithstanding the remuneration payable exceed the limits prescribed under the aforesaid sections of the Act & SEBI Regulations and the rules and schedule V (Section II Item A) thereto:

A.	<b>Salary</b>	Rs. 4,50,000/- per month in the scale of Rs. 3,00,000/- to Rs. 10,00,000/-.  The annual increments will be effective from 1 <sup>st</sup> April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.
B.	<b>Perquisites</b>	i. Rent-free residential accommodation (furnished / non – furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses /allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not, exceed for each financial year, his annual salary.  The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.  ii. The Company’s contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.
C.	<b>Commission</b>	In addition to the salary, perquisites and allowances as set out above, Mr. Atul Maru shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.
D.	<b>Minimum Remuneration</b>	If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, Remuneration paid by way of salary, perquisites, allowances and commission by the company will be treated as Minimum Remuneration payable as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.
E.	<b>Reimbursements of Expenses</b>	Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company’s business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable.”

**8. APPROVAL OF PAYMENT OF REMUNERATION TO MR. HIREN GADA (DIN: 01108194) WHOLE TIME DIRECTOR, CEO & CFO OF THE COMPANY:**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of members be and is hereby accorded for payment of following remuneration to Mr. Hiren Gada (DIN 01108194), Whole Time Director, CEO & CFO of the Company, [who was re-appointed at the 15<sup>th</sup> Annual General Meeting of the Company held on Tuesday, September 29, 2020 for a period of 5 (five) years with effect from January 01, 2021], for the financial year 2020-21 and during the remaining period of his present tenure i.e. for the period from April 01, 2021 to December 31, 2025, notwithstanding the remuneration payable exceed the limits prescribed under the aforesaid sections of the Act & SEBI Regulations and the rules and schedule V (Section II Item A) thereto:

A.	<b>Salary</b>	Rs. 4,50,000/- per month in the scale of Rs. 3,00,000/- to Rs. 10,00,000/-.  The annual increments will be effective from 1 <sup>st</sup> April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.
B.	<b>Perquisites</b>	i. Rent-free residential accommodation (furnished / non – furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses /allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not, exceed for each financial year, his annual salary.  The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.  ii. The Company’s contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.
C.	<b>Commission</b>	In addition to the salary, perquisites and allowances as set out above, Mr. Hiren Gada shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.
D.	<b>Minimum Remuneration</b>	If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, Remuneration paid by way of salary, perquisites, allowances and commission by the company will be treated as Minimum Remuneration payable as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.
E.	<b>Reimbursements of Expenses</b>	Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company’s business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable.”

**9. APPROVAL OF PAYMENT OF REMUNERATION TO MR. JAI MAROO (DIN: 00169399) EXECUTIVE DIRECTOR OF THE COMPANY:**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the said Act, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of members be and is hereby accorded for payment of following remuneration to Mr. Jai Maroo (DIN 00169399), Executive Director of the Company, [who was re-appointed at the 14<sup>th</sup> Annual General Meeting of the Company held on Tuesday, September 24, 2019 for a period of 5 (five) years with effect from May 13, 2019], for the financial year 2020-21 and during the remaining period of his present tenure i.e. for the period from April 01, 2021 to May 13, 2024, notwithstanding the remuneration payable exceed the limits prescribed under the aforesaid sections of the Act & SEBI Regulations and the rules and schedule V (Section II Item A) thereto:

A.	<b>Salary</b>	Rs. 2,00,000/- per month in the scale of Rs. 2,00,000/- to Rs 8,00,000/-  The annual increments will be effective from 1 <sup>st</sup> April each year and will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee, within the said maximum limit.
B.	<b>Perquisites</b>	i. Rent-free residential accommodation (furnished / non – furnished) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses /allowances for utilisation of gas, electricity, water, furnishing, repairs and maintenance, leave travel concession for self and family including dependents, medical expenses, car facility, telephone facility, club fees, personal accident insurance and other perquisites / allowances as may be decided by the Board from time to time in accordance with the rules of the Company and value of such perquisites shall not, exceed for each financial year, his annual salary.  The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.  ii. The Company’s contribution to provident fund, superannuation fund or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leaves, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of the over ceiling of remuneration.
C.	<b>Commission</b>	In addition to the salary, perquisites and allowances as set out above, Mr. Jai Maroo shall be entitled to receive remuneration based on net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to the overall ceilings stipulated in Section 197 of the Act.
D.	<b>Minimum Remuneration</b>	If in any financial year, during the currency of his tenure, the Company has no profit or its profit are inadequate, then in such event, Remuneration paid by way of salary, perquisites, allowances and commission by the company will be treated as Minimum Remuneration payable as required under Schedule V of the Companies Act, 2013, or any modifications(s) thereto.
E.	<b>Reimbursements of Expenses</b>	Expenses incurred for travelling, entertainment and other incidental expenses incurred by him in connection with the business of the Company; and provision of cars for use on the Company’s business and telephone expenses at residence for official duties shall be reimbursed at actual and not considered as perquisites.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable.”

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

Mumbai, June 08, 2021

By Order of the Board of Directors

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

## NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to the special business to be transacted at the AGM and the profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing and Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations") are annexed.
2. In view of the continuing the COVID-19 pandemic, the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, stated, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). The AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 18 below and is also available on the website of the Company at [www.shemarooent.com](http://www.shemarooent.com).
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Corporate / Institutional Members intending to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution authorizing its representatives to attend and vote on their behalf at the meeting, at [investors\\_services@shemaroo.com](mailto:investors_services@shemaroo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
8. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 14, 2021 to Monday, September 20, 2021 (both days inclusive) for the purpose of annual general meeting.
9. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for electronically for inspection by the members during the AGM at [www.shemarooent.com/investors/](http://www.shemarooent.com/investors/).
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, residential status etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime (India) Private Limited (LIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIPL.
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to LIPL.
12. The Ministry of Corporate Affairs has notified Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, provisions relating to transfer of unclaimed amounts to the IEPF. IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years or more to an IEPF Demat Account. Hence, the Company urges all the shareholders to claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company are available on the website of the Company [www.shemarooent.com](http://www.shemarooent.com) and on Ministry of Corporate Affairs' website.
13. In terms of the section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ('the Rules'), Application money received by companies for allotment of any securities in the financial year 2014-15 and due for refund, which remains unclaimed for a period of seven years from the date it become due for payment/refund are required to be transferred by the Company to the 'Investor Education and Protection Fund (IEPF)', applicants who have not claimed above application money are requested to make their claim on or before September 27, 2021, being the due date for transfer of unpaid / unclaimed dividend to IEPF.
14. In accordance with MCA and SEBI Circulars, the Notice of AGM, Annual Report, are being sent in electronic mode to all members whose e-mail address are registered with the Company / Depository Participant(s).
15. Members who have not registered their e-mail addresses are requested to register the same with Depository Participant(s) / LIPL or update their email addresses by writing to the Company at [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy

of any document (eg: Driving License, Election Identity Card, Passport, Aadhar) in support of the address of the Member.

16. Members may also note that the Notice of this AGM and the Annual Report 2020-21 of the Company is posted on the Company's website [www.shemarooent.com](http://www.shemarooent.com), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
17. Members are requested to address all correspondence to the Registrar and Share Transfer Agents at the following address:

LINK INTIME (INDIA) PRIVATE LIMITED  
(Unit: Shemaroo Entertainment Limited)  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400083  
Tel No: +91 22 49186000 Fax: +91 22 49186060

#### PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

18. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
19. Members are encouraged to join the Meeting through Laptops for better experience.
20. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
21. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
22. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com). The same will be replied by the company suitably.

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

23. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are

encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com). **Questions / queries received by the Company till 5.00 p.m. on Monday, September 13, 2021 shall only be considered and responded during the AGM.**

24. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email at [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com) anytime between **Wednesday, September 15, 2021, 09.00 a.m. to 5.00 p.m. on Friday, September 17, 2021**. Speakers can also send their questions in advance to the Company at [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
25. Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

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

1. In compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote at 16<sup>th</sup> annual general meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depositories Limited (NSDL).
2. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, September 13, 2021, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. 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 forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990 and 1800 224 430**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".



3. Members may cast their votes on electronic voting system from any place (remote e-voting). **The voting period begins on Friday, September 17, 2021 at 09.00 a.m. and ends on Sunday, September 19, 2021 at 05.00 p.m. (preceding the date of AGM).** In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. The e-voting module shall be disabled by NSDL for voting thereafter.
4. The Company has appointed Mr. Mannish L. Ghia of M/s. Manish Ghia & Associates, Practicing Company Secretaries (Membership No. FCS 6252), to act as the Scrutinizer, to scrutinize the entire voting and remote e-voting, in a fair and transparent method.
5. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would unblock and count the votes cast through remote e-voting and during the AGM and make, not later than 48 hours of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
6. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shemarooent.com](http://www.shemarooent.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the results is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, September 17, 2021 at 09:00 A.M. and ends on Sunday, September 19, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 13, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:



#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in dematerialisation mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp</a></li> </ol>

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="523 633 1069 943" style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43</p>

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you on your email ID. Open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Soni Singh) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share

certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com)

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## EXPLANATORY STATEMENT

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

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

### Item No. 4

Pursuant to Section 139(2) of the Companies Act, 2013, an audit firm can be appointed as auditor of the Company for two terms of 5 consecutive years. The maximum term permitted as per the Act, of the current Statutory Auditors, M/s. M.K. Dandeker & Co., Chartered Accountants, (Firm registration no. 000679S), is upto the conclusion of the ensuing 16<sup>th</sup> Annual General Meeting (AGM) of the Company. M/s. M.K. Dandeker & Co. has served as an auditor for two term of 5 years. The remuneration of M/s. M.K. Dandeker & Co. for conducting the audit for the financial year 2020-21, as approved by the Members, is Rs. 15 Lakhs plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, if any.

The Board of Directors of the Company, on the recommendation of Audit Committee, recommended for the approval of members, appointment of M/s. Mukund M Chitale & Co., Chartered Accountants, as Statutory Auditors of the company for the period of 5 years from the conclusion of this 16<sup>th</sup> Annual General Meeting till the conclusion of the 21<sup>st</sup> Annual General Meeting.

**Proposed Fees:** Fixed Remuneration for Statutory Audit shall be Rs. 15 Lakhs plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2021-22. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by M/s. Mukund M Chitale & Co. during their association with the Company. The proposed fees are also in line with the industry benchmarks. The fees for any other professional work including certifications will be in addition to the audit fee as mentioned above and will be decided by the management in consultation with the Auditors. The Board of Directors are authorized to fix the remuneration for the remaining tenure of their appointment in consultation with the Audit Committee.

**Credentials of M/s. Mukund M Chitale & Co., Chartered Accountants:** this is a firm of Chartered Accountants with a professional standing of more than 47 years. It was established in the year 1973 by Mr. Mukund M Chitale. The firm is engaged in providing services namely Auditing services; Tax consultancy services; and Management Consultancy Services. The Firm serves large institutional Clients like Listed companies, Public Sector undertakings, Banks, Insurance companies, Mutual funds, Private equity funds etc. The Firm has been awarded the Peer Review Certificate issued by ICAI. The Firm services Clients across India through its offices at Mumbai and Pune.

The consent letter received from Mukund M Chitale & Co., Chartered Accountants, Statutory Auditors (FRN 106655W), showing their willingness and certificate confirming their eligibility for appointment as the Statutory Auditors of the Company pursuant to the provisions of Section 139, 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the Ordinary Resolution at Item No. 4 of this Notice for your approval.

None of the Promoters /Directors / Key Managerial Personnel of the Company / their respective relatives, are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

### Item No. 5

The present paid up capital of the Company is Rs 27,18,22,390/- and authorized capital is Rs. 30,00,00,000/-, which are at almost par.

Accordingly, to maintain the adequate margin, It is proposed to increase the Authorised Share Capital of the Company from existing Rs 30,00,00,000 (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs 10/- (Rupees Ten only) each to Rs 60,00,00,000/- (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs 10/- (Rupees Ten only) by creation of additional 3,00,00,000 (Three Crores) Equity Shares of Rs 10/- (Rupees Ten only) ) each ranking pari passu in all respect with the existing Equity Shares of the Company.

Consequently, it is also proposed to make appropriate alteration in the Memorandum of Association of the Company to reflect the change in Clause V of the Memorandum of Association of the Company.

The Board recommends the Ordinary Resolution mentioned at Item No. 5 of this Notice for your approval.

A copy of the Memorandum of Association of the Company duly amended will be available for inspection from the date of circulation of this Notice up to the date of the AGM. Members seeking to inspect the documents can send an email to [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com)

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, except to the extent of their shareholding, in the said resolution.

### Item No. 6, 7, 8 & 9

In the 15<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2020, Mr. Raman Maroo (DIN: 00169152) was re-appointed as Managing Director of the Company, Mr. Atul Maru (DIN: 00169264) was re-appointed as Jt. Managing Director of the Company and Mr. Hiren Gada (DIN: 01108194) was re-appointed as Whole Time Director of the Company for a period of five consecutive years w.e.f. January 01, 2021. Further, Mr. Jai Maroo (DIN: 00169399) was appointed as Executive Director of the Company by the members at the 14<sup>th</sup> AGM of the Company held on September 24, 2019 for a period of five consecutive years w.e.f. May 13, 2019.

During the financial year 20-21, the Company has incurred loss, and the remuneration paid by way of salary, perquisites, allowances and commission to the Managerial Personnel were remain within the limits already approved by the members at

their previous AGMs and within the limits as required under Schedule V of the Companies Act, 2013.

In terms of the provisions of Section 197 (as amended), read with Schedule V of the Act, the Company is required to obtain approval of the members by way of special resolution for payment of remuneration to Managerial Personnel in case of no profit/ inadequacy of profit. Further Pursuant to SEBI Regulation, approval of the members by way of special resolution in general meeting shall be required, if the annual remuneration payable to Executive Directors, who are promoters or members of the promoter group, is in excess of the limits prescribed thereunder i.e. (i) where there is one such Director, Rs. 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, 5 per cent of the net profits of the listed entity.

As you aware the Company has been in an investment mode with various new initiatives and outbreak of COVID-19 pandemic has dampened economies activities, advertising and overall consumer sentiments across the entire Media and Entertainment Industry. All these developments have impacted on subscription, advertising and syndication revenues of the Company business during financial year 2020-21. Accordingly, it is advisable to obtain approval of shareholders by special resolution for payment of the managerial remuneration in case of loss or inadequate profit, during the remaining period of their present tenure of appointment, as set out in resolutions in Item no 6, 7, 8 & 9.

**Registered Office:**

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

Mumbai  
June 08, 2021

It is clarified that no increase in remuneration of the Managerial Personnel is proposed in terms of the resolutions set out at Item nos. 6, 7, 8 & 9 of this Notice vis-à-vis the remuneration already approved by the Members at their previous AGMs.

In view of the above, approval of the Members is sought for remuneration payable to the Managerial Personnel as set out at Item nos. 6, 7, 8 & 9 of the Notice.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured financial creditor, and accordingly their prior approval is not required for approving the proposed special resolutions.

Statement containing additional information as required under Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 6, 7, 8 & 9 is annexed hereto.

The Board of Directors recommends the Special Resolution(s) set out at Item nos. 6, 7, 8 & 9 of this Notice for your approval.

Except Mr. Raman Maroo, Mr. Atul Maru, Mr. Hiren Gada, Mr. Jai Maroo and his relatives, none of the Promoters, Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution as set out at Item No. 6,7,8 & 9 of the Notice.

By Order of the Board of Directors

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

## ANNEXURE

(A) Disclosure(s) in terms of Section 197 read with Schedule V to the Companies Act, 2013 & applicable Rules thereunder:

I. GENERAL INFORMATION:

- 1) **Nature of Industry:** Media & Entertainment Industry
- 2) **Date or expected date of commencement of commercial production:** The Company is in operation since 2005.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- 4) **Financial performance based on given indicators:** The financial and operating performance of the Company during last three financial years are as under:

(Rs. In Lakhs)

Particulars	2020-21	2019-20	2018-19
Revenue from operations	30,518.35	47,967.24	54,804.87
Total Income	30,647.77	48,142.47	54,974.58
Earnings before interest, tax, depreciation and amortization (EBITDA) before exceptional items	(1,919.88)	4,598.40	13,184.96
Profit/ (Loss) before tax	(1,949.06)	3,506.06	13,184.96
Profit/ (Loss) for the year after tax (before other comprehensive income)	(1,924.84)	2,379.19	8,611.47

- 5) **Foreign Investments or collaborations, if any:** Foreign investments in the Company include shareholding of FPIs, FIIs, NRIs and foreign nationals. As on March 31, 2021, the aggregate foreign shareholding in the Company was 19.30%, including 6.70% shareholding of Technology & Media Group Pte Limited as promoter group.

Company has 100% investment in Shemaroo Media & Entertainment LLC, USA, a wholly owned subsidiary.

## II. Information about Directors who will receive Remuneration:

Name of Director	Mr. Raman Maroo	Mr. Atul Maru	Mr. Hiren Gada	Mr. Jai Maroo																		
DIN	00169152	00169264	01108194	00169399																		
Date of appointment on Board	December 23, 2005	December 23, 2005	May 26, 2008	May 26, 2008																		
Qualifications	Higher Secondary Class studied from Mumbai	Higher Secondary Class studied from Mumbai	Master's degree in Management (Finance) from Welinkar Institute of Management, Mumbai; University Graduate Degree in Commerce from the University of Mumbai	Master's degree in computer science and Engineering from Pennsylvania State University, U.S.A.; Graduate Degree in Computer Engineering from the University of Mumbai																		
Background details	Mr. Raman Maroo has been associated with the Group since 1974. Mr. Raman Maroo has approximately 47 years of business experience, out of which, he has been associated with the Media and Entertainment industry for approximately 38 years.	Mr. Atul Maru has around 41 years of experience in the Media and Entertainment industry.	Mr. Hiren Gada has approximately 25 years of work experience, out of which, he has around 18 years of experience in the Media and Entertainment Industry.	Mr. Jai Maroo has numerous years of experience in the technology industry in USA and Singapore and approximately 18 years of experience in the Media and Entertainment industry.																		
Past Remuneration (Rs. In Lakhs)	<table border="1"> <thead> <tr> <th>2020-21</th> <th>2019-20</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>51.26</td> <td>52.90</td> <td>52.90</td> </tr> </tbody> </table>	2020-21	2019-20	2018-19	51.26	52.90	52.90	<table border="1"> <thead> <tr> <th>2020-21</th> <th>2019-20</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>51.26</td> <td>52.90</td> <td>52.90</td> </tr> </tbody> </table>	2020-21	2019-20	2018-19	51.26	52.90	52.90	<table border="1"> <thead> <tr> <th>2020-21</th> <th>2019-20</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>23.85</td> <td>21.23</td> <td>NA</td> </tr> </tbody> </table>	2020-21	2019-20	2018-19	23.85	21.23	NA	
2020-21	2019-20	2018-19																				
51.26	52.90	52.90																				
2020-21	2019-20	2018-19																				
51.26	52.90	52.90																				
2020-21	2019-20	2018-19																				
23.85	21.23	NA																				
Recognition or awards	<p>a. <b>Girnar Award</b> from Bruhad Mumbai Gujarati samaj for outstanding contribution in the field of Entertainment in year 2000.</p> <p>b. Inducted into the <b>Indian Telly Awards Hall of Fame</b>, in year 2005.</p>	-	<p>a. <b>CEO of the year 2018</b> from Future Leader Summit and Awards 2018.</p> <p>b. <b>among the Top 100 Business Leaders</b> list at the Impact Business 100, year 2020.</p>	<p>a. <b>Gold medal</b> for Best All-round Student in college (Bachelor of Engineering), 1995.</p> <p>b. <b>Entrepreneur of the Month March</b>, DARE Magazine, 2009.</p> <p>c. <b>Rising Star Award</b> at the Digital Studio India Channel Partner Awards, 2017.</p>																		
Job profile and his suitability	He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led the Company's growth for many years. He has always remained the driving force in the Company, taking it into new directions. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others.	Mr. Atul Maru has managed the transition of the Company from VHS days to today's multi-platform operations. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division for the Company.	Mr. Hiren Gada has been at the helm of driving the corporate & financial growth, digital direction, strategy, and the transformation of the Company from a family run business to a professional corporate firm. He is an industry thought leader and brings a fresh perspective to the M&E space in India.	At Shemaroo, he is solely responsible for the Company's transition to a digital media house. He has catalyzed the team to expand the Company's reach on digital distribution platforms like IPTV, VOD and Mobile. He is steering the organisation Transformation & Excellence Portfolio for the Company. He has been a speaker on several national and international forums on technology and media related topics.																		



Name of Director	Mr. Raman Maroo	Mr. Atul Maru	Mr. Hiren Gada	Mr. Jai Maroo
<b>Remuneration proposed</b>	As set out in the Resolution at Item No 6	As set out in the Resolution at Item No 7	As set out in the Resolution at Item No 8	As set out in the Resolution at Item No 9
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile & responsibilities of Mr. Raman Maroo, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.	Taking into consideration the size of the Company, the profile & responsibilities of Mr. Atul Maru, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.	Taking into consideration the size of the Company, the profile & responsibilities of Mr. Gada, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.	Taking into consideration the size of the Company, the profile & responsibilities of Mr. Jai Maroo, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, or other Director if any.</b>	1. Brother of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Brother of Mr. Atul Maru (Jt. Managing Director) 3. Father of Ms. Mansi Maroo (KMP of the Company) Do not have pecuniary relationship with the Company except remuneration paid/ payable to him in his capacity as Managing Director	1. Brother of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Brother of Mr. Raman Maroo (Managing Director) Do not have pecuniary relationship with the Company except remuneration paid/ payable to him in his capacity as Joint Managing Director	Brother of Ms. Kranti Gada Arambhan (COO & KMP of the Company) Do not have pecuniary relationship with the Company except remuneration paid/ payable to him in his capacity as CEO & CFO	1. Son of Mr. Buddhichand Maroo (Chairman, Non-Executive Director) 2. Spouse of Ms. Smita Maroo (KMP of the Company) Do not have pecuniary relationship with the Company except remuneration paid/ payable to him in his capacity as Executive Director

**III. Other Information:**

1. Reason of loss or inadequate profits	The Company has been in an investment mode with various new initiatives and outbreak of COVID-19 pandemic has dampened economies activities, advertising and overall consumer sentiments across the entire Media and Entertainment Industry. All these developments have impacted on subscription, advertising and syndication revenues of the Company business during financial year 2020-21. Consequently, the Company has incurred loss for FY 2020-21.
2. Steps taken or proposed to be taken for improvement	The Company has taken significant steps to reduce costs: <ul style="list-style-type: none"> <li>• Cost Rationalization.</li> <li>• strategically but cautiously investment in new ventures.</li> <li>• Undertaken measures to optimize the operations and rationalize those businesses that have been severely impacted to address the new environment</li> </ul>
3. Expected increase in productivity and profits in measurable terms	We are hopeful that now with the lifting of this current lockdown, and aggressive vaccination drive, and most of the world including India likely to go back to normalization by second half of the year 2021-22, we should see a significant revival across all our business segments as well. We assure that everyone in the Company is working diligently to boost the business and we are confident that in the long run our overall strategic initiative will bear fruitful outcome.

**(B) Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

1. **Financial and operating performance of the Company during the three preceding financial years:** Details provided in para A(I)(4) above.
2. **Remuneration or commission drawn by individual concerned in any other capacity from the company:** No Managerial Personnel has drawn remuneration or commission in any other capacity from the Company.
3. **Remuneration or Commission drawn by Managerial Personnel from any other company:** Nil
4. **Professional qualification and experience:** Please refer para A(II) above.
5. **Relationship between remuneration and performance:** Please refer point 'Job profile and his suitability' of para A(II) and the remuneration of Mr. Raman Maroo, Mr. Atul Maru and Mr. Hiren Gada, has not changed from FY 2018-19 onwards. Mr. Jai Maroo has appointed Executive Director in the Fiscal 2019-20.
6. **The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receive remuneration and employees or executives of the company:** All employees of the Company, including Directors are governed by the Company's Performance evaluation Programme, in addition to the Board-approved Remuneration Policy, the Company's performance as a whole, individual performance level and also on market benchmarks and economy scenario.
7. **Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:** The Company has in place a Board-approved Nomination and Remuneration Policy for the Whole time Director and Managing Director; Non - Executive / Independent Directors; KMP and Senior Management Employees. For other employees, the Company has robust Performance evaluation Programme to determine the remuneration.
8. **Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:**

Name of the Director	Nos. of Equity shares of Rs. 10/- each held as on 31.03.2021	Pledged
Raman Maroo	48,09,520	Nil
Atul Maru	48,09,520	Nil
Hiren Gada	10,93,680	Nil
Jai Maroo	12,34,200	Nil

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

Name of Director	Mr. Buddhichand Maroo	Mr. Jai B Maroo
DIN	00169319	00169399
Date of Birth	November 24, 1939	September 09, 1973
Nationality	Indian	Indian
Date of appointment on Board	May 29, 2012	May 26, 2008
Qualifications	He has completed his Intermediate studies from Mumbai.	Master's degree in computer science and Engineering from Pennsylvania State University, U.S.A.; Graduate Degree in Computer Engineering from the University of Mumbai
Nature of expertise & experience	Mr. Buddhichand Maroo is the Chairman of our Company and founder of our Group. He started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. Mr. Buddhichand Maroo has approximately 59 years of business experience, out of which, he has been associated with the media and entertainment industry for approximately 38 years. He has completed his Intermediate studies from Mumbai. Currently, he has retired from day-to-day business and has devoted his life to social work and has been involved in several non-profit and social activities, particularly in Kutchh (Gujarat). He has received several awards for the work done in the social field.	Mr. Jai Maroo has numerous years of experience in the technology industry in USA and Singapore and approximately 18 years of experience in the Media and Entertainment industry. At Shemaroo, he is solely responsible for the Company's transition to a digital media house. He has catalyzed the team to expand the Company's reach on digital distribution platforms like IPTV, VOD and Mobile. He is steering the organisation Transformation & Excellence Portfolio for the Company. He has been a speaker on several national and international forums on technology and media related topics.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	<ol style="list-style-type: none"> <li>1. Brother of Mr. Raman Maroo, Managing Director; Mr. Atul Maru, Joint Managing Director</li> <li>2. Father of Mr. Jai Maroo, Executive Director</li> <li>3. Father-in-Law of Ms Smita Maroo, KMP of the Company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Son of Mr. Buddhichand Maroo (Chairman, Non-Executive Director)</li> <li>2. Spouse of Ms. Smita Maroo (KMP of the Company)</li> </ol>
Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 2 of the Notice.	As per the resolution at Item No. 3 of the Notice.
Remuneration last drawn (commission and sitting fees)	Sitting Fees - INR 80,000/-	Remuneration - INR 23.86 Lakhs
Remuneration proposed to be paid	-	As per the terms and conditions and in accordance with the provisions of Companies Act, 2013
No. of meetings of the Board attended for the FY 2020-21	4 Meetings	4 Meetings
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	-	-
No. of shares held in the Company	35,75,310 Equity shares	12,34,200 Equity shares



## Building Mindshare

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## Forward-looking statement

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

# > Corporate Information

## BOARD OF DIRECTORS

### Mr. Buddhichand Maroo

DIN: 00169319  
Chairman

### Mr. Raman Maroo

DIN: 00169152  
Managing Director

### Mr. Atul Maru

DIN: 00169264  
Jt. Managing Director

### Mr. Hiren Gada

DIN: 01108194  
CEO & CFO

### Mr. Jai Maroo

DIN: 00169399  
Executive Director

### Mr. Gnanesh Gala

DIN: 00093008  
Independent Director

### Mr. Kirit Gala

DIN: 01540274  
Independent Director

### Mr. Vasanji Mamania

DIN: 00013071  
Independent Director

### Mr. Shashidhar Sinha

DIN: 00953796  
Independent Director

### Dr. CA Reeta Bharat Shah

DIN: 07141304  
Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Dipesh U. Gosar

## STATUTORY AUDITORS

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

## INTERNAL AUDITORS

M/s. Gawande & Associates,  
Chartered Accountants

## SECRETARIAL AUDITORS

M/s. Manish Ghia & Associates

## BANKERS

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

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited,  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400083.

Tel No.: +91-22-4918 6000

Fax No.: +91-22-4918 6060

Website: [www.linkintime.co.in/](http://www.linkintime.co.in/)

Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

## REGISTERED OFFICE

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

Tel.: +91-22-40319911

Fax: +91-22-40319794

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

Email: [shemaroo@shemaroo.com](mailto:shemaroo@shemaroo.com)

## CORPORATE IDENTITY NUMBER

L67190MH2005PLC158288

## > Building Mindshare



“ Before you can have a share of the market, you must have a share of the mind ”

Some believe that businesses are built by capturing market share; however, Shemaroo believes in building mindshare first. This will translate into enduring consumer loyalty, revenues and therefore profitability for the Company. Keeping this mantra in mind, the Company's focus in the last couple of years has been to identify latent market segments and excel in them. The last few years have been years of transformation for the Company - leaving behind its old-self, creating newer version and taking a leap to create a legacy that will elevate the Company to greater heights. The Company has not only

ventured into various consumer-led-segments of media such as television broadcasting, video over-the-top and physical devices, but also focused on strengthening its position amongst its B2B partners. Today, the Company commands a strong brand recall amongst its domestic as well as international partners, who swear by Shemaroo's understanding of consumer, its ability to aggregate quality content and provide impeccable service. The Company is continuously working towards building mindshare amongst its consumers across all its initiatives.



Sr. No.	Types of Content	Total Number of Perpetual Titles	Total Number of Limited Ownership Titles	Total Number of Titles
1.	Hindi Films	577	1,293	1,870
2.	Regional Titles	812	1,121	1,933
3.	Special Interest Content*	118	290	408
<b>TOTAL</b>		<b>1,507</b>	<b>2,704</b>	<b>4,211</b>

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



## > Etching a Mark on the Minds of the Television Audience

The financial year 2021, which witnessed the Covid-19 wave and the subsequent lockdowns, showcased the power of television yet again. The country witnessed record viewership levels on television during the lockdown. The number of TV households also increased from 197 million in 2018 to 210 million in 2020 proving that television broadcasting continues to remain the largest and most sustainable source of media consumption in India even during a disruptive year like 2020.

With content across languages such as Hindi, Gujarati, Punjabi, Marathi and Bengali, amongst others, Shemaroo prides in owning one of the largest libraries of movies and video content in the country. The Company is committed to making its content accessible to one and all, and has a presence across most channels, both in India and international

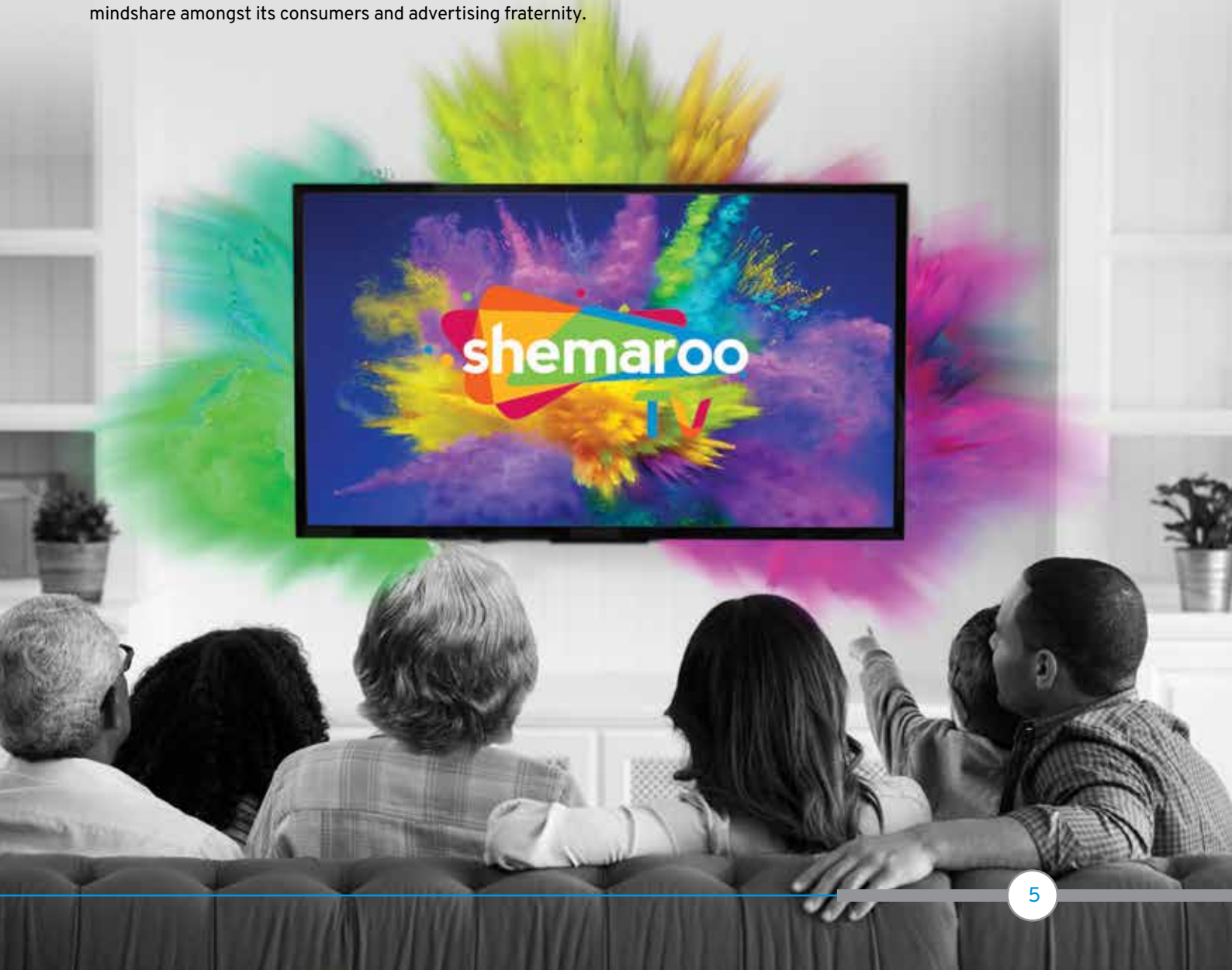
markets. The Company is continuously making efforts to expand its network of partnerships with TV channels, content distributors and aggregators to ensure widest possible reach and entrenching mindshare amongst its consumers. Shemaroo continues to syndicate its diverse content library to various satellite channels, cable and terrestrial networks to reach the homes of every consumer. The Company has strong relations across international media partners in regions such as USA, UAE and Southeast Asia, amongst others. During the last year, broadcasting partners witnessed a slowdown in advertising and subscription revenue, which in turn resulted in delayed catalogue purchases. However, with states slowly re-opening, vaccinations underway, and the economic situation improving, the company expects this trend to reverse soon.



Shemaroo also forayed into the broadcasting space with the launch of two new channels – Shemaroo MarathiBana and Shemaroo TV. Entry into broadcasting is a long-term strategic investment for Shemaroo towards taking a bite of the large advertising pool and thereby diversifying its revenue model. The recently launched channels have been well accepted by the audience and the Company expects them to gradually strengthen their viewership share. The Company's Marathi movie channel, Shemaroo MarathiBana, has maintained consistent ratings throughout the year, building the brand's connect in a relatively short period of time. On the contrary, although ShemarooTV, the Company's general entertainment channel, started in a challenging economic and competitive scenario, the Company is strengthening its proposition through a focused approach towards building programming, marketing and distribution in order to provide a holistic entertainment experience for the free-to-air audience. The Company believes that its investment in broadcasting space will help it strengthen mindshare amongst its consumers and advertising fraternity.

Shemaroo is committed to making its content accessible to consumers across all platforms. In the Company's constant endeavour to do so, it has partnered with major DTH and cable operators to operate subscription-based, ad-free content services across various genres such as old and new hindi movies, devotion, comedy, thriller and various regional languages. Over the years, Shemaroo has also successfully launched multiple pre-loaded devices with devotional content spread across various religions and faiths. The Company also continues to syndicate its content for in-flight entertainment screens across approximately 100 major airlines.

Shemaroo is quite optimistic about the role television plays in a viewer's life in India, and believes that a revival in discretionary spending due to economic activity normalizing going forward will have an overall positive impact on the traditional business revenues for the Company.



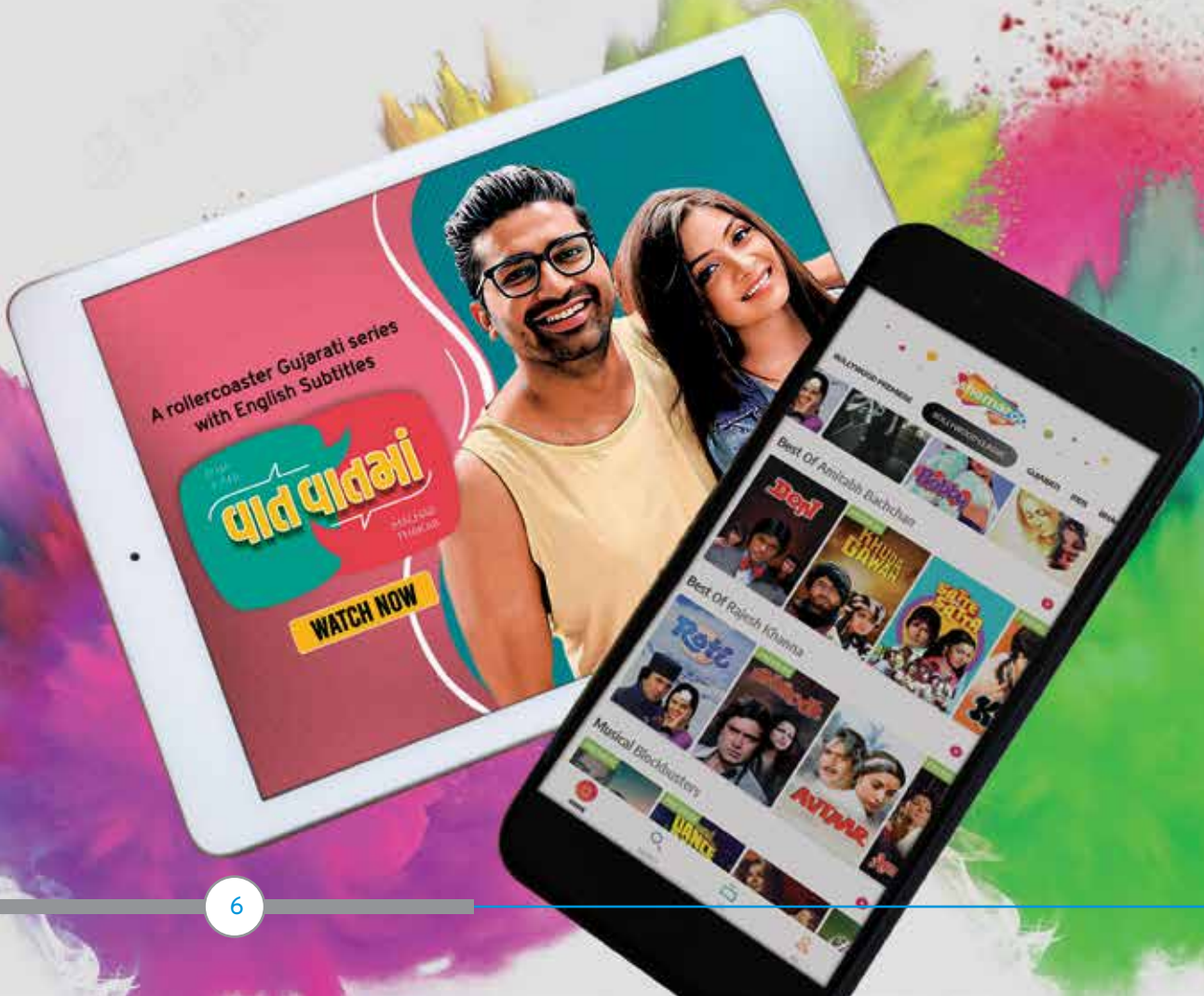
## > Touching Minds of the Digital Media Audience

The only significant media segment that saw unprecedented growth in the financial year 2021 was Digital. The digital ecosystem grew on the back of reduced fresh content on television, accelerated adoption of digital platforms by the masses and the pandemic forcing the population to stay indoors for a longer period of time. The growth was also witnessed by Shemaroo which rode this wave with an accelerated growth in ShemarooMe subscriptions, increase in viewership on Shemaroo YouTube channels and uptake of consumption of its content across all digital mediums.

Shemaroo has been a pioneer in the Indian digital media space. The Company was amongst the first to launch its content channels on YouTube. With a diversified presence of more than 45 channels on YouTube and a cumulative subscriber base exceeding 160 million, the Company garners an average of around 100 million views per day. The Company's flagship channel Shemaroo Filmi Gaane crossed 50 million subscribers to become the 6th most subscribed channel in India and 21st most subscribed channel globally.

Shemaroo believes that strategic partnerships will play an important role as the digital media industry moves into the next phase of this explosive growth. Over the years, the Company has become the trusted partner to all the major telecom platforms and has aggregated and distributed quality content from across the ecosystem. Furthermore, Shemaroo also distributes its library to major video platforms such as Amazon Prime, MX Player, Jio, Netflix, amongst others.

To enhance Shemaroo's presence across the digital medium, the Company launched 'ShemarooMe', its own OTT platform in 2019. The OTT app is available across 150 countries globally and offers Shemaroo's vast content library across Bollywood, regional, devotional and kids genres. In the past two years, the Company has focused on strengthening its B2B partnerships. At present, ShemarooMe has partnerships with multiple players in the digital eco-system like telecom operators, e-commerce companies, travel and hospitality players and e-wallets. These enable ease of access and payment for consumers. ShemarooMe is continuously working to expand its content offering which will enable it to strengthen its consumer proposition and thereby capture a piece of the consumer mindshare.



## ➤ Making Every Gujarati Fall in Love with Gujarati Entertainment

The Company believes that digital video services (also known as OTT services) will continue to be one of the biggest growth drivers of Indian entertainment over the next few years aided by a large and growing connected consumer base, increasing disposable incomes, improved infrastructure and quality of storytelling and content creation. It also opines that good storytelling will no longer be restricted to the main languages like Hindi and English. The pandemic not only accelerated the consumption of digital content but also changed the lingual face of digital India. It brought to the forefront regional content consumption preferences, resulting in investments in original regional content production and building regional propositions. The Company strongly believes that going regional and thinking local is the next growth avenue for the OTT segment.

Considering this, the Company identified a latent need for quality content amongst the Gujarati audience, who currently have very little means to watch content in their language and experience their local culture on screen. Furthermore, Shemaroo has accumulated the largest library of Gujarati movies and plays over the years. It has nurtured Gujarati theatre and already holds a strong brand position amongst the Gujarati audience. To further leverage its strong mindshare position, the Company relaunched ShemarooMe's Gujarati proposition in April 2021, positioning it as a premier Gujarati-focused OTT service, by offering a mix of original web-series, plays and movies including digital-first premieres. It aims to serve the underserved Gujarati audiences in India and abroad by catering to the entertainment needs of all Gujarati speaking audiences on one platform.



## > Board of Directors

### **Buddhichand Maroo** - *Chairman*

He is founder of Shemaroo Group. He started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. He has an experience of approximately 59 years, out of which, he has been associated for 38 years of experience in the Media and Entertainment Industry. He holds Lifetime Achievement GIFA Golden Award.

### **Raman Maroo** - *Managing Director*

He has an experience of approximately 47 years, out of which he has spent around 38 years in the Media and Entertainment Industry. He has been instrumental in the Group's expansion into television rights syndication as well as transformation of Shemaroo into an established filmed entertainment content house. He has always remained the driving force in the Company, taking it into new directions.

### **Atul Maru** - *Joint Managing Director*

He has around 41 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.

### **Hiren Gada** - *CEO & CFO*

He has been at the helm of driving the corporate & financial growth, digital direction, strategy, and the transformation of the company from a family run business to a professional corporate firm. He has approximately 25 years of work experience, out of which, he has around 18 years of experience in the Media and Entertainment Industry. He is an industry thought leader and brings a fresh perspective to the M&E space in India.

### **Jai Maroo** - *Executive Director*

He has experience in the technology industry in USA and Singapore and approximately 18 years of experience in the Media and Entertainment industry. Given his strong technical background, he has catalyzed Shemaroo's expansion on digital distribution platforms such as Mobile, Internet, OTT etc. Currently, he is steering the Organization Transformation & Excellence portfolio for the Company.

### **Gnanesh Gala** - *Independent Director*

He has around 38 years of experience in the Educational Publishing Industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 23 years and is presently the Managing Director of the said company.

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

She has over 33 years of experience in the field of education and administration in various capacities. DR. CA Reeta is a Ph.D. from IIT Bombay, a member of Institute of Chartered Accountants of India, Masters in Philosophy, Masters in Commerce, Masters in Business Administration (HRM), Bachelors of Law (General) and Bachelors of Commerce (Hons.). She is engaged as Growth strategist, Tedx and International Keynote Speaker. She has worked as Head of Department (Accountancy) at SIES College of Commerce & Economics for 27 years.

### **Vasanji Mamania** - *Independent Director*

He has around 59 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Non-ferrous Metals. He was the Co-Founder of Adlabs. Mr. Mamania has handled responsibilities ranging from operations to financial planning and engineering inputs in design and processes.

### **Shashidhar Sinha** - *Independent Director*

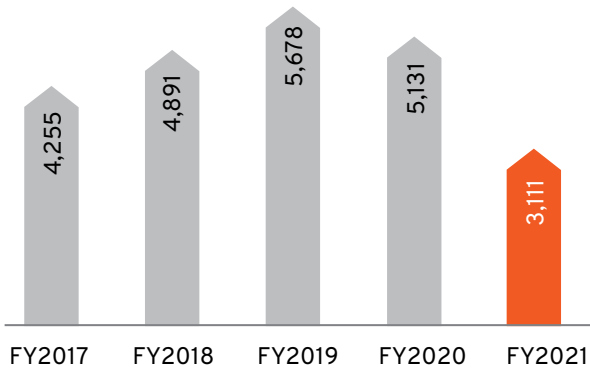
He is an alumni of IIT Kanpur IIM Bangalore. He has over 32 years of experience in media and advertising. He is presently the CEO of IPG Mediabrands India. He is widely recognized for his strategic approach to media solutions across a wide portfolio of over 100 blue chip clients. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAI's, Audit Bureau of Circulation, Readership Studies Council of India (RSCI), the Broadcast Audience Research Council India (BARC). He is also an honorable member of the prestigious Facebook India Client Council.

### **Kirit Gala** - *Independent Director*

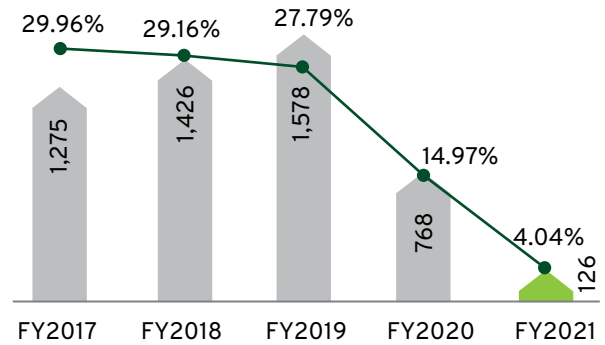
He has completed his Master's in Business Administration and Mechanical Engineering from Mumbai University. He has around 31 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He has been guest speaker on various entrepreneurial and venture capital/private equity forums and has already been featured in some leading Business magazines for his expertise.

## Financial Highlights

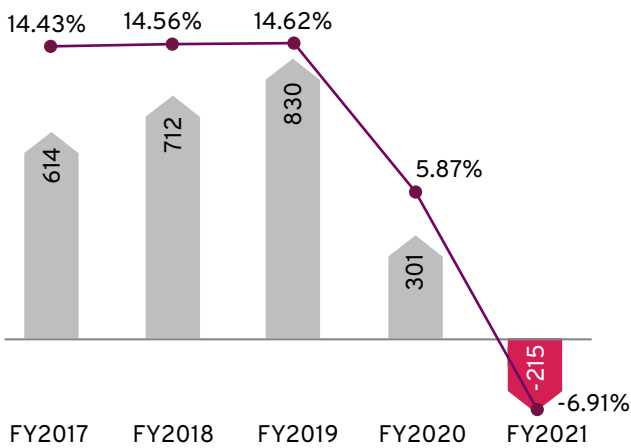
Revenue (INR Mn)



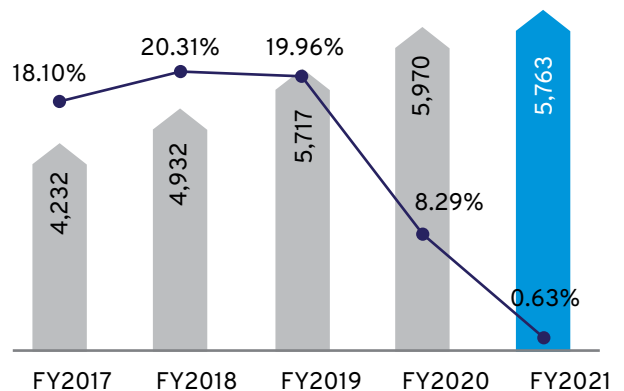
EBITDA (INR Mn) and EBITDA Margin (%)



PAT (INR Mn) and PAT Margin (%)



Net Worth (INR Mn) and ROCE (%)



## > Managing Director's Speech



“We relaunched ShemarooMe's Gujarati proposition, positioning it as a premier Gujarati-focused OTT service, by offering a mix of original web-series, plays and movies including digital-first premieres. It aims to serve the underserved Gujarati audiences in India and abroad by catering to the entertainment needs of all Gujarati speaking audiences on one platform.”

The year started with the country reeling under the impact of Covid-19. This, after India was already experiencing a slowdown in economic activity even prior to the outbreak of COVID-19 in March 2020. The onset of the global pandemic and ensuing lockdown dealt a severe blow to the Indian economy. The Indian media and entertainment industry too was significantly impacted due to nationwide lockdown restrictions, slowdown in advertising spends and breaking down of content supply chains. All segments within the media and entertainment ecosystem except digital subscription and online gaming witnessed a huge decline in revenues.

This year continued to be a year of investments for us in our newer initiatives like broadcasting and ShemarooMe. While still in an investment phase, our broadcasting business started its journey of monetization through advertising during the year on both its channels i.e. Shemaroo MarathiBana and Shemaroo TV.

We relaunched ShemarooMe's Gujarati proposition, positioning it as a premier Gujarati-focused OTT service, by offering a mix of original web-series, plays and movies including digital-first premieres. It aims to serve the underserved Gujarati audiences in India and abroad by catering to the entertainment needs of all Gujarati speaking audiences on one platform. ShemarooMe has embarked on a journey of making every Gujarati fall in love with Gujarati Entertainment once again.

The year has been a challenging and difficult one for our employees and hence maintaining their health and well-being has been our top priority. Throughout the year, we have taken various steps to ensure that our employees remain in their most positive spirits and good mental health. Facilitated by an aggressive vaccination drive, we are happy to announce that more than 80% of our employees have taken their first dose of

Covid-19 vaccination. We also focused on maintaining financial stability for our employees by ensuring no salary cuts and offering covid insurance.

Your company has not only survived through the unprecedented disruption and challenging times that the year brought upon us as well as the sector, but has come out of it stronger than before. We would like to thank the efforts of our employees, the faith shown by our shareholders, banking partners and the guidance provided by our directors which has helped us steer through these difficult times.

Looking ahead, we expect the economic recovery to gain momentum from the second quarter of financial year 2022 as we see lockdown restrictions lifting and vaccinations ramping up resulting in improved consumer and business confidence across sectors. Fuelled by these favourable tailwinds, along with all our investments over the years, we are confident of delivering a stronger financial and operational performance and taking giant footsteps on our journey of 'building mindshare' across all our businesses.

**Your's sincerely,**  
Raman Maroo

## > CEO's Speech



“Within a year of its launch, Shemaroo MarathiBana has become a household name for high-quality Marathi movies, and contributed significantly to the Marathi film industry, adding to its pride and popularity.”

The Indian M&E sector fell by 24% in 2020 to INR 1.38 trillion, in effect taking revenues back to 2017 levels. While television remained the largest segment, digital media overtook print, and online gaming overtook a disrupted filmed entertainment segment in 2020. Digital and online gaming were in fact the only segments which grew in 2020 adding an aggregate of INR 26 billion and consequently, their contribution to the M&E sector increased from 16% in 2019 to 23% in 2020. Overall subscription-based models fared better than advertising-based models as subscription increased from 49.7% in 2019 to 51.5% of total revenues in 2020. Under digital subscription, 28 million Indians (up from 10.5 million in 2019) paid for 53 million OTT subscriptions in 2020 leading to a 49% growth in digital subscription revenues. (Source: FICCI EY M&E Report 2020)

For the financial year 2020-21, your Company's revenue was INR 3,111 million, a decline of 39% YoY, with an EBITDA of INR 126 million and net loss of INR 215 million including investments in new initiatives of INR 575 million. The poor situation of the economy and M&E sector on account of Covid, coupled with our investments in our newer strategic initiatives, had an impact on our revenue and profitability. We however had implemented cost rationalization measures even before the lockdown which helped to tide over this pandemic operationally. We also undertook several measures to optimize the operations and rationalize those businesses that had been severely impacted.

At the beginning of this financial year we launched our Hindi GEC channel Shemaroo TV in the midst of the pandemic. Our focus for ShemarooTV is on strengthening its proposition through a multi-pronged approach towards building programming, marketing and a pan- HSM (Hindi speaking market) distribution in order to provide a holistic entertainment experience to the free-to-air audience.

Within a year of its launch, Shemaroo MarathiBana has become a household name for high-quality Marathi movies, and contributed significantly to the Marathi film industry, adding to its pride and popularity. Shemaroo MarathiBana has built a very strong consumer affinity with its line-up of World TV premieres supplementing a vast catalogue of popular Marathi titles.

We also started monetizing our broadcasting channels through advertising during the year. The fact that there is already a strong connect with the Shemaroo brand, being part of the ecosystem for decades, along with the uptake in the viewership of the channels, have helped us receive good acceptance from all the top advertisers in the Free-to-Air space, with most of them already present on both our channels.

On ShemarooMe, we continued to gain traction during the year which saw the platform's launch in 150+ countries while building multiple B2B2C partnerships. On YouTube, we continued to reach millions of viewers with a daily viewership of more than 100 million on our 45+ YouTube channels. One of our YouTube channels 'Filmi Gaane' became the 6th most subscribed channel in India and 21st globally.

Needless to say, the year has been a challenging one for the economy and the Media and Entertainment sector. But with the economy on the cusp of a rebound, the Media and Entertainment sector is well poised to deliver a strong turnaround. We believe that with a robust business model, solid track record and exciting new initiatives along with a singular focus on 'building mindshare' in all our businesses, we will be able to ride this growth wave and deliver a strong performance in the coming future.

Your's sincerely,  
Hiren Gada



## > Management Discussion & Analysis

### Global Economy Overview

The year 2020 was a challenging year. The world economy was hit by a great disruption unleashed by the Covid-19 pandemic. The pandemic spread like fire, reaching every corner of the world, infecting more than 90 million and killing more than 2.8 million people worldwide. For several months, uncertainties and panic paralyzed most economic activities in both developed and developing economies.

World GDP contracted by approximately 3.5 percent in 2020 (Source: IMF), the sharpest contraction of global output since the Great Depression. The pandemic hit advanced economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. Real GDP in advanced economies contracted by 4.9 percent in 2020. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.4 percent in 2020.

The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen as business and consumer confidence gradually improves, supported by ongoing vaccination. Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022 (Source: IMF).

### Indian Economy Overview

India's GDP contracted by approximately 7.7 percent in the financial year 2020-21 on account of the impact of the COVID-19 pandemic and ensuing lockdown. However, Moody's has projected that the economy will grow at 9.6 percent in FY 2021-22 and India will continue to be one of the fastest growing economies in the world. Also, unlocking of states and increase in vaccination drive is expected to provide impetus to the restoration of business and consumption.

The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies

to India with schemes like PLI (production-linked incentive) and tweak the legacy labor laws, Agri policies, etc. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.

### Media & Entertainment Industry

The year 2020 witnessed a disruption in the fast evolving Indian Media and Entertainment (M&E) industry. The impact of COVID-19 on consumer behavior accelerated and amplified digital adoption. This was backed by growth in broadband, personal devices and the time and inclination to try online services. Lockdown and travel restrictions hit some M&E segments such as live entertainment, movies, print, radio, animation, etc. The only two media segments that witnessed growth were digital and gaming.

During 2020, the M&E sector declined by 24% to INR 1.38 trillion (USD 18.9 billion), putting the sector back to 2017 levels. As per industry forecasts, the M&E sector is expected to recover by 25% in 2021 to reach INR 1.73 trillion (USD 23.7 billion) and then to grow at a CAGR of 13.7% to reach INR 2.23 trillion (USD 30.6 billion) by 2023.

The Covid-19 pandemic has had some major changes in trends which will probably change the very DNA of the sector for times to come. The most important change was the adoption of digital consumption. While theatrical and physical events were the worst affected, broadband and smartphone penetration accelerated more than ever before, which in turn pushed consumption of online entertainment such as videos, games etc. Television continued to remain the largest segment, although digital media overtook the print media. Digital and online gaming were the only segments which grew in 2020 adding an aggregate of INR 25 billion and consequently, their contribution to the M&E sector increased from 16% in 2019 to 23% in 2020. Other segments fell by an aggregate of INR 465 billion. Largest absolute contributors to the fall were the filmed entertainment segment (INR 119 billion), print (INR 106 billion) and television (INR 102 billion).

	2019	2020	2021E	2023E	CAGR 2020-23
Television	787	685	760	847	7%
Digital Media	221	235	291	425	22%
Print	296	190	237	258	11%
Online gaming	65	76	99	155	27%
Filmed Entertainment	191	72	153	244	50%
Animation and VFX	95	53	74	129	35%

	2019	2020	2021E	2023E	CAGR 2020-23
Live events	83	27	53	95	52%
Out of Home media	39	16	22	32	27%
Radio	31	14	23	27	24%
Music	15	15	18	23	15%
<b>Total</b>	<b>1,822</b>	<b>1,383</b>	<b>1,729</b>	<b>2,234</b>	<b>17%</b>

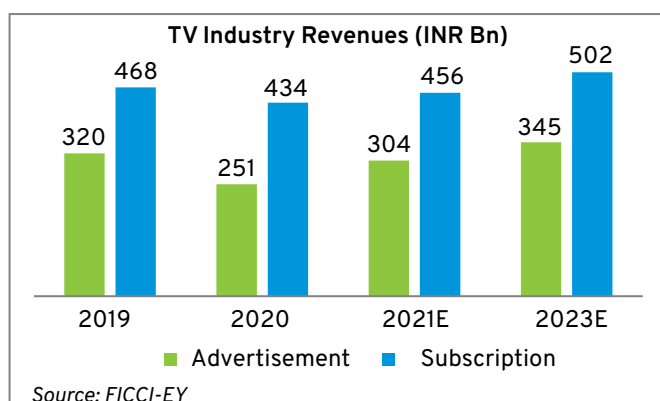
(Source: FICCI-EY) All figures are gross of taxes (INR Bn) for calendar years

The share of traditional media (television, print, filmed entertainment, OOH, radio, music) stood at 72% of M&E sector revenues in 2020. Television which continued to be the largest segment, witnessed a 22% dip in the advertising revenues due to heavy discounts on advertisement prices although the ad volumes reduced marginally i.e., only 3%. Also, there was a 7% fall in the subscription income due to the growth of free television, reverse migration and a reduction in ARPUs due to part implementation of NTO 2.0.

Digital advertising remained stable due to the traditional advertisers increasing their investments in digital sales channels. 28 million Indians paid for 53 million OTT subscriptions in 2020, contributing to 49% growth in digital subscriptions. Majority of the subscription growth was led by Disney+ Hotstar, Netflix and Amazon Prime Video – as they put premium content behind a paywall, and plethora of regional content and platforms that emerged during the year. Also, digital video and audio platforms saw an uptick in consumption due to telco bundling; 284 million Indians consumed content which came bundled with their data plans.

### TV Segment

Due to the ongoing COVID-19 lockdown and slowdown in the economy, many advertisers put a complete halt on their television ad spends during the April-to-June quarter, while many large advertisers cut their ad spends considerably during the year. This inevitably led to rate discounting across genres by many broadcasters. The television advertising declined by 21.5% and ad volumes fell 3% in 2020 as compared to 2019. While there was an 18% volume reduction in the first half of 2020, there was a sharp volume growth of 12% in the second half of the year. The television subscription revenue declined by 7% due to drop in ARPU and a reduction of two million Pay TV households. However, on a positive note, TV households in the country increased from 197 million to 210 million, albeit on the back of free television. While television households are



expected to continue to grow at over 5% till 2025, it would be primarily driven by free television - which could cross 50 million – and connected TVs - which could cross 40 million by 2025. DD Free Dish, which currently hosts 161 channels, will have a significant role to play in the growth of television in the country for the next decade. NTO 2.0 and impact on revenue due to the pandemic, compelled the four large broadcast networks - Star India, Viacom18 Media, Zee Entertainment Enterprises and Sony Pictures Networks India – to come back on DD Free Dish to capitalize on shift in audience base, viewership and advertising revenues.

Television is expected to remain the largest revenue segment of the Media and entertainment industry in India in the near future. Television revenue is expected to grow at a CAGR of 7 percent to reach INR 847 billion by 2023 driven primarily by increased TV household penetration, continued importance and effectiveness of TV advertising, and TV's price competitiveness as against digital alternatives. TV advertising is expected to grow by more than 20% in 2021 to reach INR 304 billion on the back of fresh sports content, regional channels, and continued growth of free television. Television subscription revenue is expected to grow by 5% in 2021 to reach INR 456 billion.

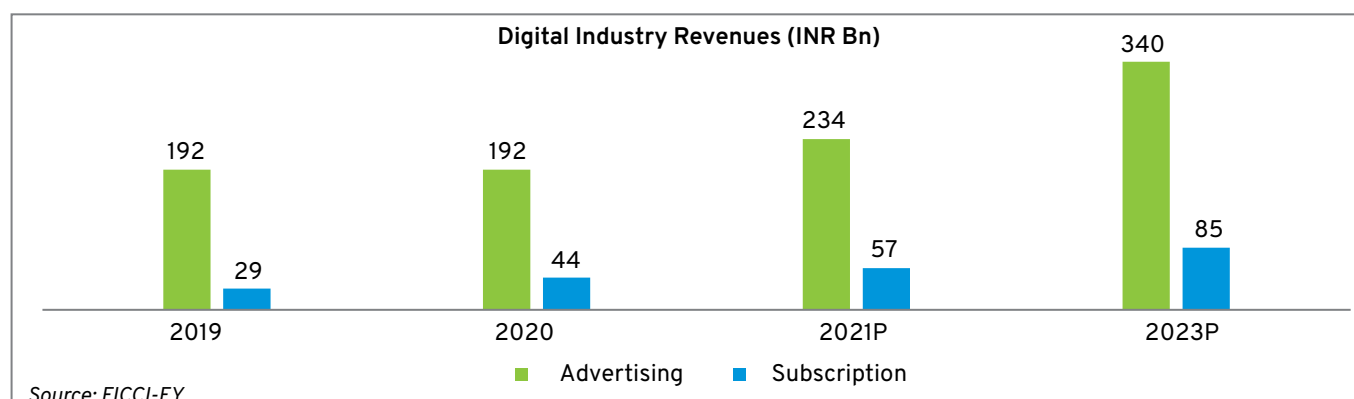
### Digital Media

Digital media grew by 6 percent in 2020 on the back of increased internet penetration (795 million), accessibility to smartphones and increasing time spent by Indians i.e., 4.6 hours a day, on their phones. The year 2020 witnessed more than 450 million digital video viewers, which is expected to grow to 650 million by 2023.

Digital advertising remained flat in 2020 due to the slowdown in the economic activities. Though we witnessed advertising money flowing to digital platforms, especially e-commerce, the overall growth remained tepid. However, digital advertising became the second largest advertising segment after television. On the contrary, digital subscription grew 49% in 2020 to reach INR 43.5 billion, as premium content and live sports events were put behind paywall. It is expected that digital subscription will grow at a CAGR of 25 percent till 2023. Paid video segment crossed 50 million subscriptions which is 2.5x times as compared to the previous year. The key drivers for growth included IPL, direct to digital films, 1200 hours of original content and lack of new content on television. OTT players are expected to increase spends on original content to around INR 19.2 billion in 2021 (a 17 percent growth over 2019) and further increase their total investment in content (including sports) during 2021-25 to INR 300 billion.

The digital media segment, which became the second largest segment in 2020, overtaking print, is expected to reduce the gap with television as digital infrastructure continues to grow. With a projected growth of 21 percent CAGR (until 2023)

digital advertising revenue is expected to outpace all other media formats to become equal to television advertising. Subscription revenues are expected to grow at 25% CAGR as paid subscriptions will double to over 100 million by 2023.



### Key Financial Ratios

Ratios	Standalone			Consolidated		
	FY20-21	FY19-20	FY18-19	FY20-21	FY19-20	FY18-19
Debtors Turnover Ratio	5.83	5.95	3.51	5.70	4.92	3.58
Inventory Turnover Ratio	0.43	0.73	0.99	0.43	0.78	1.01
Interest Coverage Ratio	0.29	2.96	6.14	0.22	2.96	5.99
Current Ratio	3.07	3.25	3.07	2.97	3.08	3.09
Debt Equity Ratio	0.45	0.38	0.35	0.47	0.42	0.35
Operating Profit Margin (%)	2.5%	14.4%	28.6%	2.0%	14.0%	27.1%
Net Profit Margin (%)	-6.3%	4.9%	15.7%	-7.0%	5.9%	14.5%
Return on Net Worth	1.3%	11.6%	27.1%	1.1%	12.1%	27.0%

The Increase in Debtors Turnover Ratio is attributable to lower credit period. The Inventory Turnover Ratio is decreased due to reduction in sales and slow market conditions. The decrease in Interest Coverage Ratio is primarily on account of lower operating profits. The decrease in Current Ratio is primarily on account of increase in current borrowings. The increase in Debt Equity Ratio is primarily on account of increase in borrowings. The decrease in Operating Profit Margin is primarily because percentage of decrease in operating expenses is lower than

the percentage of decrease in turnover. The Net Profit Margin is decreased primarily because percentage of decrease in total expenses is lower than the percentage of decrease in turnover and Return on Net Worth is decreased due to lower net profit of the Company.

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

# BOARD'S REPORT

Dear Members,

Your Directors take pleasure in submitting their 16<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Financial Accounts for the financial year ended March 31, 2021.

## 1. FINANCIAL RESULTS

Particulars	(Rs in Lakhs)	
	Current year 2020-2021	Previous year 2019-2020
<b>Total Income</b>	<b>30,647.77</b>	<b>48,142.47</b>
<b>Total expenditure</b>	<b>32,567.65</b>	<b>43,544.06</b>
<b>Profit Before Taxation</b>	<b>(1,919.88)</b>	<b>4,598.40</b>
Tax Expenses	(24.22)	1,126.87
<b>Profit After Taxation</b>	<b>(1,924.84)</b>	<b>2,379.19</b>
Other Comprehensive Income	86.14	110.31
<b>Total comprehensive income for the year</b>	<b>(1,838.70)</b>	<b>2,489.50</b>

## 2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Standalone Revenue from Operations & Other Income has decreased to Rs. 30,647 Lakhs as against Rs. 48,142 Lakhs in the previous year and the Consolidated Revenue from Operations & Other Income has decreased to Rs. 31,214 Lakhs as compared to Rs. 51,611 Lakhs in the previous year.

Your Company had a standalone Net Loss after tax of Rs. 1,924 Lakhs as compared to the Net Profit after tax of Rs. 2,379 Lakhs in the previous financial year and a consolidated Net Loss after tax of Rs. 2,148 Lakhs as compared to the Net Profit after tax of Rs. 3,014 Lakhs in the previous financial year.

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

## 3. SUBSIDIARIES AND ASSOCIATE COMPANIES

During the year under review, the Company has initiated the process of closing Shemaroo Entertainment Limited LLC, UAE, Foreign Wholly Owned Subsidiary (WOS) as the said subsidiary has not started its business since inception and not intending to do any business activity due to non-viability of the projects in current scenario of economy is slowdown. The closure of this WOS will not affect company's core business and is unlikely to have face any significant impact on the accounts/accounting policies.

Further, Board at its Meeting held on July 29, 2020 has accorded the consent to Dissolution of Vistaas Digital Media Private Limited, an Associate company, engaged in Devotional content business and writing off the 50%

of equity Investment in the said company aggregating to Rs. 10.62 Crores as there is no assets & liabilities in the said company.

As on March 31, 2021, the Company has 5 subsidiaries. There has been no change in the nature of business of the subsidiaries / associate, during the year under review.

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

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

During the year ended March 31, 2021, the Company does not have any material subsidiary companies as defined in the SEBI Listing Regulations. The Policy for determining Material Subsidiaries of the Company is available on the Company's website at [www.shemarooent.com](http://www.shemarooent.com) under Investors section.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 5. DIVIDEND

With a view to conserve the resources in current uncertain situation, your Directors have not recommended any dividend for the year ended March 31, 2021.

## 6. TRANSFER TO RESERVE

The Company has not proposed to transfer any amount to General Reserve.

## 7. PUBLIC DEPOSITS

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

## 8. ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and administration) Rules, 2014, the Annual Return will be available on the website of the Company at General Meeting Corner <https://www.shemarooent.com/investors/>

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## 10. CREDIT RATING

During the year under review, CARE Ratings reviewed and assigned their rating of "CARE BBB+; Outlook: Negative;", for Long Term Bank Facilities of Rs. 221 Crore.

## 11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS

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

## 12. DIRECTORS RESPONSIBILITY STATEMENT

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

1. in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the year ended March 31, 2021 and of the profit of the Company for that period;

3. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Annual Accounts for the year ended March 31, 2021 have been prepared on a going concern basis;
5. proper internal financial controls to be followed by the Company has been laid down and that such internal controls are adequate and were operating effectively; and
6. proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

## 13. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

### a. Directors

During the year under review, at the 15<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2020, Mr. Raman Maroo (DIN: 00169152), Mr. Atul Maru (DIN: 00169264) and Mr. Hiren Gada (DIN: 01108194) were re-appointed as Managing Director, Joint Managing Director and Whole Time Director, CEO & CFO, respectively, of the Company for further period of five years commencing from January 01, 2021 up to December 31, 2025.

Mr. Buddhichand Maroo (DIN: 00169319), Chairman & Non-Executive Director and Mr. Jai Maroo (DIN: 00169399), Executive Director are liable to retire by rotation at the 16<sup>th</sup> Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment.

Re-appointment of Mr. Buddhichand Maroo and Mr. Jai Maroo are placed for your approval at the AGM. Your Directors recommend their Re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI Listing Regulations. Further, In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency (the online proficiency self-assessment test conducted by IICA to be appeared/ appeared within a period of 2 years of registration by Independent Directors) required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations.

**b. Key Managerial Personnel**

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

- i. Mr. Raman Maroo – Managing Director
- ii. Mr. Atul Maru – Jt. Managing Director
- iii. Mr. Hiren Gada – CEO & CFO
- iv. Mr. Dipesh Gosar – Company Secretary & Compliance Officer
- v. Ms. Kranti Gada – Chief Operating Officer
- vi. Ms. Smita Maroo – Sr. VP - Animation, Kids Digital, L&M
- vii. Ms. Mansi Maroo – Producer - Film
- viii. Mr. Vinod Karani – EVP - Broadcast Syndication & Acquisition
- ix. Mr. Hemant Karani – Sr. VP - Studio
- x. Mr. Ketan Maru – Sr. VP - Film Production
- xi. Mr. Bipin Dharod – Sr. VP - Physical Sales & Distribution

**c. Meetings of Board of Directors**

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

**d. Audit Committee**

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

**e. Performance Evaluation of the Board**

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

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

**f. Familiarisation Programme of Independent Directors**

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

**g. Policy on Appointment and Remuneration**

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

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

The Term of office of M/s. M. K. Dandeker & Co., Chartered Accountants (ICAI Firm Registration No. 000679S), as Statutory Auditors of the Company are until the conclusion of the ensuing 16<sup>th</sup> Annual General Meeting to be held in the year 2021.

Under section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of maximum term permitted under the said section.

Accordingly, the Audit committee of the Company, on June 08, 2021, the Board of Directors of the Company has recommended the appointment of M/s Mukund M. Chitale & Co. Chartered Accountants, (the Firm) having Firm Registration Number 106655W as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the ensuing 16<sup>th</sup> Annual General Meeting to be held in the year 2021, till the conclusion of the 21<sup>st</sup> Annual General Meeting to be held in the year 2026, subject to approval of the shareholders of the Company.

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

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

#### b. Secretarial Auditors

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

The Secretarial Compliance Report for the financial year ended March 31, 2021, in relation to compliance of all applicable SEBI Regulations/ circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations was submitted to Stock Exchange(s).

There are no qualifications, reservations, or adverse remarks in the Secretarial Audit and Secretarial Compliance Report issued by them for the financial year 2020-21.

### 15. RELATED PARTY CONTRACTS OR ARRANGEMENTS

All Related Party Transactions executed in financial year 2020-21 were on arms' length basis and in the ordinary course of business. All related party transactions are placed before the Audit Committee for their prior approval and the details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

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

The policy on Related Party Transactions as approved by the Board is placed on the company's website at [www.shemarooent.com](http://www.shemarooent.com) under Investors section.

### 16. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

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

year under review taking into consideration the essential components of internal controls.

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

### 17. RISK MANAGEMENT

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

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

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

### 18. WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

The details of the Whistle Blower Policy are available on the website of the Company at [www.shemarooent.com](http://www.shemarooent.com) under Investors section.

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

Pursuant to applicable provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect

of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

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

The details of unclaimed dividend / application money as on March 31, 2021 are as follows:

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

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

## 20. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

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

## 21. CORPORATE GOVERNANCE

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

## 22. COMPLIANCE WITH SECRETARIAL STANDARDS

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

## 23. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information relating to the Conservation of Energy and Technology Absorption required under Rule 8(3)(A)

and 8(3)(B) of Companies (Accounts) Rules, 2014 are not applicable to the Company due to the very nature of the industry in which it operates. However, we endeavour to support the environment by adopting environment friendly practices in our office premises.

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

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

## 24. HUMAN RESOURCES

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

In view of the ongoing COVID 19 Pandemic, Company, since March 2020 to till date, has shifted employees to Work from Home status to limit the risk faced by people. Company has organised a series of online sessions on the safety measures, sharing tips and guidelines to help Work from Home effectively, conducted Upskilling session, Group exercise activities, Zumba class, Shemaroo Walkathon, session with nutritionist, session on how to manage finances during uncertain times, for employees across the organization and also taken Covid insurance policy for all employees, granting 14 days paid leaves to employees who suffer from corona virus. Shemaroo values the safety and well-being of all our employees, and ensuring their safety is our top priority.

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

The total employee strength at the end of financial year 2020-21 is 514.

## 25. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

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



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

## 26. SEXUAL HARASSMENT

The Company has in place policy for the prevention of sexual harassment at workplaces in line with the requirements of the Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder and conducted sessions for employees across the organization to sensitise employees and build awareness on Prevention of Sexual Harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review no complaints were received in regard to sexual harassment.

## 27. CORPORATE SOCIAL RESPONSIBILITY

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

A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2020-21 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in Annexure 'B' to the Report.

The CSR policy is available on our website at [www.shemarooent.com](http://www.shemarooent.com) under Investors section.

## 28. 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.

## 29. ACKNOWLEDGEMENT

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

The Board also gratefully acknowledges for the exemplary contribution made by the employees of the Company at all levels for achieving business goals under the current pandemic year. Their dedicated efforts and enthusiasm have been pivotal to enable the Company to navigate this period with confidence. The Board of Directors would also like to thank all stakeholders for the continued confidence and trust placed by them with the Company. We look forward to continued support of all these partners in progress.

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

sd/-  
**Raman Maroo**  
Managing Director  
DIN: 00169152

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

Mumbai  
June 08, 2021

## ANNEXURE A

**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, CFO and Company Secretary for the financial year 2020-21 is as follows:

(Rs. in lakhs)				
Sr. No.	Name	Total Remuneration for financial year 2020-21	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Buddhichand Maroo* Chairman & Non-Executive Director	-	-	-
2.	Raman Maroo Managing Director	51.27	(0.29)	8.54
3.	Atul Maru Joint Managing Director	51.27	(0.29)	8.54
4.	Hiren Gada Chief Executive Officer & Chief Financial Officer	51.27	(0.29)	8.54
5.	Jai Maroo Executive Director	23.86	0.46	3.98
6.	Gnanesh Gala* Independent Director	-	-	-
7.	Kirit Gala* Independent Director	-	-	-
8.	Vasanji Mamanian* Independent Director	-	-	-
9.	Shashidhar Sinha* Independent Director	-	-	-
10.	Reeta Shah* Independent Director	-	-	-
11.	Dipesh Gosar Company Secretary & Compliance Officer	15.97	(0.05)	2.66

\* The Non-Executive Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and are within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report.

- B. The median remuneration of employees of the Company during the financial year was Rs. 6,00,108/-
- C. The percentage increase in the median remuneration of Employees for the financial year was 4.86%.
- D. There were 514 permanent employees on the rolls of Company as on March 31, 2021.
- E. Average percentile increase in the salaries of employees other than Managerial Personnel was 4.22% whereas decrease in the Managerial Remuneration was 2.78%. Average Remuneration increase/decrease is dependent on the Company's performance as a whole, individual performance level and also on market benchmarks and economic scenario.
- F. It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

## ANNEXURE B

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE FINANCIAL YEAR 2020-2021

1	A brief outline of the company's CSR policy.	<p>The Company has a CSR policy in place which endorses the idea of improving quality of lives of people in the communities in which it operates, as it believes that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies.</p> <p>The thrust areas of the Company's CSR activities are as under:</p> <ol style="list-style-type: none"> <li>1. Livelihood security and enhancement</li> <li>2. Education</li> <li>3. Healthcare and Social welfare</li> <li>4. Arts/Sports and Culture</li> </ol> <p>The above areas are mapped with the activities as prescribed in Schedule VII of the Companies Act, 2013 in the Annexure.</p> <p>The policy elucidates the responsibilities of the Board &amp; CSR Committee and implementation &amp; monitoring process towards achieving the Company's CSR goals. The CSR Policy of the Company has been uploaded on the website of the Company at <a href="http://www.shemarooent.com">www.shemarooent.com</a></p>
2.	The Composition of the CSR Committee/Meetings held and Attendance	<ol style="list-style-type: none"> <li>1. Mr. Atul Maru (Chairman and Jt. Managing Director)</li> <li>2. Mr. Hiren Gada (Member and CEO &amp; CFO)</li> <li>3. Mr. VasANJI MamanA (Member and Independent Director)</li> </ol> <p>During the FY 2020-2021, CSR Committee was held twice (2) i.e. 29.07.2020 and 28.01.2021.</p> <p>During the FY 2020-2021, All the members of CSR committee attended both the meetings.</p>
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	<a href="http://www.shemarooent.com">www.shemarooent.com</a>
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	NOT APPLICABLE
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	NOT APPLICABLE
6	Average net profit of the company for last three financial years	Rs 9470 Lakhs
7	A. Prescribed CSR Expenditure (two percent of the amount as in item 6 above) B. Surplus arising out of the CSR projects or Programmes or activities of previous financial years C. Amount required to be set off for the financial year, if any D. Total CSR obligation for the financial year	Rs 189.41 Lakhs NIL NIL Rs 189.41 Lakhs.
8a.	CSR amount spent or unspent for the financial year	<b>Refer Annexure 1</b>
8b.	Details of CSR amount spent against ongoing projects for the financial year	Nil
8c.	Details of CSR amount spent against other than ongoing projects for the financial year:	<b>Refer Annexure 3</b>
8d.	Amount spent in Administrative Overheads	NIL
8e.	Amount spent on Impact Assessment, if applicable	NOT APPLICABLE
8f.	Total amount spent for the Financial Year (8b+8c+8d+8e)	<b>Rs 190.72 Lakhs</b>

8g.	Excess amount for set off, if any	Refer Annexure 2
9a.	Details of Unspent CSR amount for the preceding three financial years	NOT APPLICABLE
9b.	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)	NOT APPLICABLE
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	NOT APPLICABLE
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NOT APPLICABLE

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

sd/-  
**Raman Maroo**  
 Managing Director  
 DIN: 00169152

sd/-  
**Atul Maru**  
 Chairman, CSR Committee Jt. Managing Director  
 DIN: 00169264

Place: Mumbai  
 Date: June 08, 2021

**Annexure 1**

**8a. CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR**

Total Amount spent for the Financial year (in Rs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs 190,72,251	-	-	-	-	-

**Annexure 2**

**8g. EXCESS AMOUNT FOR SET OFF, IF ANY**

Sr. No.	Particular	Amount
1	Two percent of average net profit of the company as per section 135(5)	1,89,41,069
2	Total amount spent for the Financial Year	1,90,72,251
3	Excess amount spent for the financial year [(ii)-(i)]	1,31,182
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,31,182

## 8C. DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs)	Amount spent in the Current Financial year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementing Agency	
				State	District						Name	CSR & other Registration number
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	No	Maharashtra, Gujarat	Newasa, Mumbai, Surendranagar	NOT APPLICABLE	50 Lakhs to 70 Lakhs	1,01,00,000	NIL	No	1) Yeshwant Samajik Pratishthan 2) Paras Padmavati Jinshasan Trust 3) Shri Jagatbharti Education and Charitable Trust	1) MH 122/99 Ahmednagar F/4886/ Ahmednagar 2) E23536 3) E/572/ Surendranagar
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	No	-	-	NOT APPLICABLE	50 Lakhs to 70 Lakhs	81,01,251	NIL	No	1) Aadhar Foundation 2) PM Care Fund 3) The Akshaya Patra Foundation	1) E/20039/ Ahmedabad
3.	Promoting gender equality, empowering women, support to old age homes, orphanages, addressing poverty, hunger and malnutrition, support to rural cultural programmes, Festivals & Melas, disaster management, including relief, rehabilitation and reconstruction activities.	Rural Transformation & Protection of natural heritage, art & culture, draught relief	No	-	-	NOT APPLICABLE	50 Lakhs to 70 Lakhs	8,71,000	NIL	No	1) Vivekgram 2) Kutch Yuvak Sangh 3) Banni Sindhu Seva Sangh 4) Kala Varso Trust	1) CIT-R-I/ Tech/80G/2011-12 2) Mumbai 532/87 GBBSD Trust reg no F-12534 3) F 700 GUJ 524 4) F/2583/Kutch-Guj 2404/Kutch
<b>Total</b>								<b>1,90,72,251</b>				

# CORPORATE GOVERNANCE REPORT

## 1. Company's philosophy on code of governance

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

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

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

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

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

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

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

## 2. Board of Directors

As on March 31, 2021, the Company has a balanced Board of Director's, which primarily takes care of the business needs and stakeholder's interest. The Executive and Non-Executive Directors including Independent Directors on the Board are competent and experienced from various fields. They actively participate at the Board and Committee meetings and provide valuable guidance to the management on various aspects relating to business decisions.

The Composition of the Board complies with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of SEBI Listing Regulations. The total Board strength comprises of 10 (Ten) Directors, out of which 4 (four) are Executive Directors (40% of the Board strength), 1(One) is Non-Executive Director (10% of the Board strength) and 5 (Five) are Independent Non-Executive Directors (50% of the Board strength) including 1 (One) Women Independent Director.

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

None of the Directors including the Independent Directors of the Company have resigned during the FY 2020-21.

During the financial year, the Board of the Company met 4 (four) times i.e. on July 29, 2020; November 09, 2020; January 28, 2021 and March 15, 2021. The necessary quorum was present for all the meetings. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic.

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

The Board's composition, attendance and their directorship / committee membership, chairmanship in other Companies as on March 31, 2021 is given below:

Sr. no	Name, Designation, DIN	Category	Attendance at Board meeting	Attendance at last AGM held on September 29, 2020	No. of other Directorships and Committee memberships/Chairmanships held		
					Other Directorships #	Chairmanships@	Memberships of Committees@
1.	Mr. Raman Maroo, Managing Director (DIN:00169152)	Promoter Executive Director	4/4	YES	1	NIL	NIL
2.	Mr. Atul Maru, Jt. Managing Director (DIN : 00169264)	Promoter Executive Director	4/4	YES	NIL	NIL	1
3.	Mr. Hiren Gada, CEO & CFO (DIN:01108194)	Promoter Executive Director	4/4	YES	1	NIL	1
4.	Mr. Buddhichand Maroo, Chairman (DIN:00169319)	Promoter Non-Executive Director	4/4	YES	NIL	NIL	NIL
5.	Mr. Jai Maroo, Executive Director (DIN:00169399)	Promoter Executive Director	4/4	YES	NIL	NIL	NIL
6.	Mr. Gnanesh Gala, Independent Director (DIN: 00093008)	Non-Executive Director	4/4	YES	1	1	1
7.	Mr. Shashidhar Sinha, Independent Director (DIN:00953796)	Non-Executive Director	3/4	YES	3	NIL	2
8.	Mr. Vasanji Mamanian, Independent Director (DIN:00013071)	Non-Executive Director	4/4	YES	NIL	NIL	1
9.	Mr. Kirit Gala, Independent Director (DIN:01540274)	Non-Executive Director	3/4	YES	NIL	NIL	1
10.	Dr. CA Reeta Shah, Independent Director (DIN:07141304)	Non-Executive Director	4/4	YES	NIL	1	NIL

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

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

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

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

b. Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2021:

Name of the Director(s)	Shares Held (Nos.)
Mr. Buddhichand Maroo	35,75,310
Buddhichand Maroo (HUF) (Buddhichand Maroo being Karta of HUF)	10
Mr. Vasanji Mamanian	50,636

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

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

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

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

Name	Business Strategic Expertise, Administration & Decision making	Marketing and Advertisement	Information Technology	Financial & Management skills, Accountancy and Audit	Legal	Human Resource Management	Risk Management
Mr. Raman Maroo	√	√	-	-	-	-	√
Mr. Atul Maru	√	√	-	-	-	-	√
Mr. Hiren Gada	√	√	-	√	-	-	√
Mr. Buddhichand Maroo	√	-	-	-	-	-	√
Mr. Jai Maroo	√	-	√	-	-	√	√
Mr. Gnanesh Gala	√	-	-	√	-	-	√
Mr. Shashidhar Sinha	√	√	√	-	-	-	√
Mr. VasANJI Mamania	√	-	-	√	-	-	√
Mr. Kirit Gala	√	√	√	√	-	-	√
Dr. CA Reeta Shah	√	-	-	√	√	-	√

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

**d. Board Independence:**

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

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

**e. Board Procedure:**

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



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

After the Board meeting, Company has a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and committees 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 July 29, 2020, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the Meeting, the Independent Director reviewed and evaluated the performance of the Chairman, Managing Director and other Non-Independent Directors, the Board and flow of information between the management and the Board.

**g. Familiarization programmes:**

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

The Company's Policy of conducting the Familiarisation Programme and the details of Familiarisation Programmes imparted to Independent Directors are disclosed on the Company's website at [www.shemarooent.com](http://www.shemarooent.com)

**h. Board Evaluation:**

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

### 3. COMMITTEES OF THE BOARD

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

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

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

**A. Audit Committee:**

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

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

The Audit Committee met 4 (four) times during the year under review. The Committee Meetings were held on July 29, 2020; November 09, 2020; January 28, 2021 and March 15, 2021.

The Composition and attendance at the Meetings was as under:

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

Mr. Gnanesh Gala, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on September 29, 2020.

**ii. General**

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

**iii. Powers of Audit Committee**

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

**iv. Role of the Audit Committee**

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

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

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

## **B. Nomination and Remuneration Committee:**

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

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

The Nomination & Remuneration Committee was re-constituted by the Board at its meeting held on May 13, 2019.

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee met once i.e. on July 29, 2020 during the year under review. The attendance of the members was as under:-

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

Mr. Vasanji Mamania, Chairman of the Nomination & Remuneration Committee attended the last Annual General Meeting of the Company held on September 29, 2020. The Company Secretary of the Company acts as the Secretary of the Nomination & Remuneration Committee.

#### Terms of Reference of the Committee

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

#### ii. Nomination & Remuneration Policy

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

#### • Board Membership Criteria

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

#### The criteria for appointment to the Board include:

- a. size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;

- b. professional qualifications, expertise and experience in specific area of business;
- c. desired age and diversity on the Board.

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

- **Performance Evaluation**

The Committee makes recommendations to the Board on appropriate performance criteria for the directors and formulates 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.

- iii. **Details of Remuneration**

The details of remuneration paid to Executive Directors and to Non-Executive Directors for the Financial Year ended March 31, 2021 is provided hereinafter:

**Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2021:**

(Rs. in lakhs)

Name	Salary	Sitting Fees	Commission	Benefits Perquisites and allowances	others	TOTAL
Mr. Raman Maroo	50.66	-	-	0.40	0.20	51.26
Mr. Atul Maru	50.66	-	-	0.40	0.20	51.26
Mr. Hiren Gada	50.66	-	-	0.40	0.20	51.26
Mr. Jai Maroo	23.46	-	-	0.40	-	23.86

**Details of Remuneration paid to Non-Executive Directors for the Financial Year ended March 31, 2021:**

(Amount in Rs.)

Name of Director	Sitting Fees for attending Board Meeting
Mr. Buddhichand Maroo	80,000
Mr. VasANJI MAMANIA	80,000
Mr. Gnanesh Gala *	Nil
Mr. Kirit Gala*	Nil
Mr. Shashidhar Sinha	60,000
Dr. CA Reeta Shah	80,000
<b>TOTAL</b>	<b>3,00,000</b>

**Notes:**

1. No commission was paid to the Non-Executive Directors during the financial year ended on March 31, 2021.
2. \*No sitting fees was paid to Mr. Gnanesh Gala and Mr. Kirit Gala, Independent Directors, who have decided not to accept any sitting fees for attending meetings of the Board.
3. Other than sitting fees, there is no other pecuniary relationship or transactions with any of the Non-Executive Directors.
4. No Service contracts executed and Severance Fee, Notice period is payable and no stock option has been given.

**C. Stakeholders Relationship Committee:**

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

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

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

The Stakeholders Relationship Committee comprises of the members as stated below. The Committee met 3 (three) times during the year under review. The Committee Meeting was held on July 29, 2020, November 09, 2020 and January 28, 2021.

The attendance at the Meeting was as under:

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

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 29, 2020.

**ii. Compliance Officer**

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

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

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

**iv. Investor Grievance Redressal**

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

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

As on March 31, 2021, no complaints were outstanding.

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

The Company has constituted a CSR Committee as required under Section 135 of the Act. The CSR Committee comprises of the members as stated below. The Committee during the year under review met 2 (twice) on July 29, 2020 and January 28, 2021.

Sr. No.	Name of the Member	Designation	Category	No. of Meetings	
				Held during their tenure	Attended
1.	Mr. Atul Maru	Chairman	Executive Director	2	2
2.	Mr. Hiren Gada	Member	Executive Director	2	2
3.	Mr. Vasanji Mamanian	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 thereunder;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties;
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget; and
- Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

**E. Executive Committee:**

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

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

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

**Terms of reference:-**

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

- To open and operate Bank Accounts.
- To authorize change in signatories.
- To give instructions relating to the transactions of the Company with the Banks.
- To give necessary instructions for closure of Bank Accounts.
- To issue / revalidate / cancel Powers of Attorney.

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

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

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

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

#### 5. SUBSIDIARY COMPANIES

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

#### 6. GENERAL BODY MEETINGS

##### a) Annual General Meetings:

During the preceding year the Company's Annual General Meeting was held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") and during the Financial year 2018-2019 and 2017-2018, the Company's Annual General Meetings were held at M.C. Ghia Hall (Royal Banquet), 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20 K Dubash Marg, Kala Ghoda, Mumbai-400001 on the following dates and times, wherein the following special resolution were passed.

Financial Year	Day, Date	Time	Brief Description of Special Resolution
2019-2020	Tuesday, September 29, 2020	04:00 PM	<ul style="list-style-type: none"> <li>- Re-appointment of Mr. Raman Maroo as Managing Director of the Company.</li> <li>- To provide an option to the lenders to convert their outstanding facilities/debts, if any, into Equity Shares.</li> </ul>
2018-2019	Tuesday, September 24, 2019	04:00 PM	<ul style="list-style-type: none"> <li>- Re-appointment of Dr. CA Reeta Bharat Shah (DIN: 07141304) as an Independent Director of the Company.</li> <li>- Appointment of Mr. Jai Buddhichand Maroo (DIN:00169399) as Executive Director of the Company.</li> </ul>
2017-2018	Tuesday, September 11, 2018	04:00 PM	<ul style="list-style-type: none"> <li>- To continue the Directorship of Mr. Buddhichand Maroo (DIN: 00169319) as Non-Executive Director of the Company.</li> </ul>



**b) Postal Ballot:**

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

**c) Means of Communication with Shareholders**

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

- **Results:** The Company's quarterly/half yearly/annual financial results are sent to the Stock Exchanges and also published in Financial express (English) and Mumbai Lakshadeep (Marathi) respectively and are also simultaneously displayed on its website at [www.shemarooent.com](http://www.shemarooent.com).
- **News Releases/Presentations:** Official Press Releases, presentations made to media, analysts, institutional investors etc. are sent to the Stock Exchanges and are displayed on the Company's website at [www.shemarooent.com](http://www.shemarooent.com).
- **Website:** The Company's website ([www.shemarooent.com](http://www.shemarooent.com)) contains a separate section "Investor Centre" where shareholders' information is available. The Company's Quarterly, half yearly and annual financial results, official news releases and presentations made to institutional investors and to the Analysts are promptly displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern, Unclaimed Dividends, Share price tools includes, inter-alia, share graphs, historical share price data and other Corporate Communications made to the Stock Exchanges are also available on the website. Annual Report of Subsidiary Companies are also posted on the website.
- **Communication to shareholders on Email:** As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
- **Annual Report:** The Annual Report containing, inter-alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to shareholders and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Board's Report in the Annual Report. The Annual Report is displayed on the Company's website at [www.shemarooent.com](http://www.shemarooent.com)
- **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web-based application designed by NSE for listed entities. All periodical compliance filings like shareholding pattern, corporate governance report, media releases statement of investor complaints among others, are filed electronically on NEAPS

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

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

**7. GENERAL SHAREHOLDER INFORMATION****a. Company Registration details:**

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

**b. Company's Registered Office Address:**

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

**c. Annual General Meeting:**

Day & Date	: Monday, September 20, 2021
Time	: 04.00 PM
Venue	: AGM will be held through video conferencing (VC) or other audio-visual means (OAVM).*
Book Closure Date	: Tuesday, September 14, 2021 to Monday, September 20, 2021.
Cut- off date	: Monday, September 13, 2021.

\* In terms of the MCA dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, June 15, 2020, December 31, 2020 and January 13, 2021, the 16<sup>th</sup> AGM of the members shall be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM notice and available at the website of the Company at [www.shemarooent.com](http://www.shemarooent.com).

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

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

- First Quarter	: July/August, 2021
- Half yearly	: October/November, 2021
- Third Quarter	: January/February, 2022
- Fourth Quarter and Annual	: May/June, 2022
- Annual General Meeting	: August/September, 2022

## e. Listing:

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

- **Bombay Stock Exchange Limited (BSE) - Stock Code:538685**  
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- **National Stock Exchange of India Limited (NSE) - Stock Code: SHEMAROO**  
Address: Exchange Plaza, 6<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

The Annual listing fees for the financial year 2021-22 have been paid to the above Stock Exchanges.

## f. Payment of Depository Fees: Annual Custody / Issuer fee for the year 2021-22 has been paid by the Company to NSDL and CDSL.

## g. ISIN Number: INE363M01019

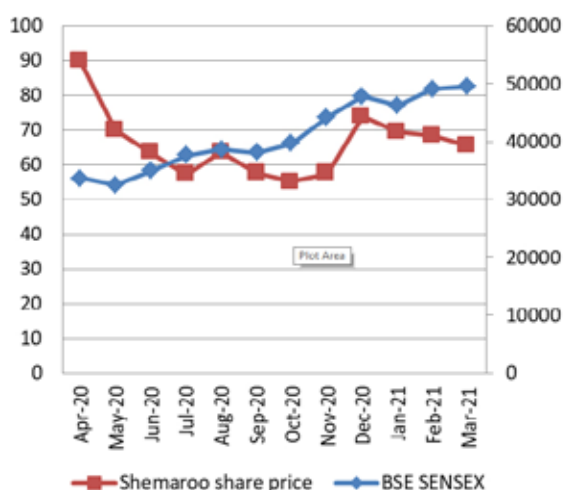
## h. Market Price Data:

The high / low market price of the shares during the financial year 2020-2021 at the BSE Limited and at National Stock Exchange of India Ltd. were as under :-

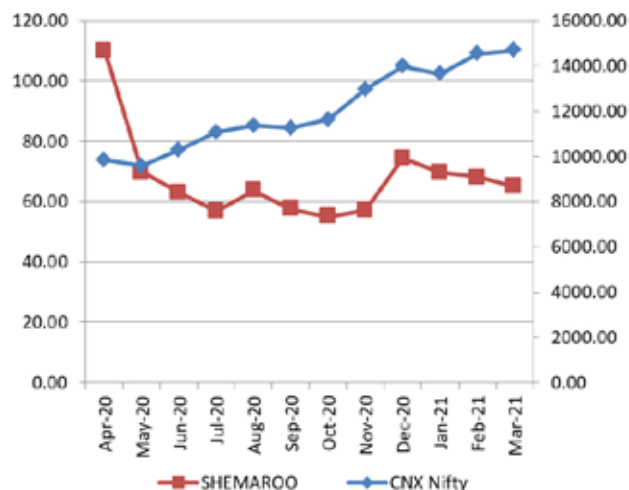
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr, 2020	90.10	48.00	4,911	110.05	47.75	5,14,958
May, 2020	94.60	67.10	1,77,915	111.90	65.70	4,62,717
Jun, 2020	75.55	63.10	1,34,652	77.15	63.00	25,85,892
Jul, 2020	68.25	57.15	5,20,520	68.25	56.90	26,06,677
Aug, 2020	71.45	51.60	4,37,855	70.80	51.40	30,44,449
Sep, 2020	69.25	54.15	2,36,998	69.70	54.30	13,87,176
Oct, 2020	62.15	51.05	83,439	62.85	53.60	4,68,401
Nov, 2020	59.00	51.00	1,09,545	57.90	51.40	7,90,004
Dec, 2020	87.10	55.00	4,94,152	87.50	57.20	38,24,102
Jan, 2021	81.20	65.15	1,10,990	80.20	64.50	5,80,536
Feb, 2021	74.90	65.50	1,54,069	74.80	63.15	8,11,648
Mar, 2021	83.00	63.25	3,39,341	81.10	64.35	20,67,768

## i. Performance in comparison to broad based indices:

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



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



**j. Distribution of Shareholding:**

The Shareholding distribution of the equity shares as on March 31, 2021 is given below:-

No. of Shares	No. of Shareholders*	No. of Shares	% to Total Shares
1-5000	11123	2657867	9.78
5001-10000	69	517380	1.90
10001 and above	88	24006992	88.32
Total	11280	27182239	100.00

\*Total nos. of Folio of the Company as on March 31, 2021.

**k. Shareholding Pattern:**

The Shareholding of different categories of the shareholders as on March 31, 2021 is given below:-

Category	No. of Shares	% of Holdings
Promoters	16084080	59.17
Foreign Promoter	1822840	6.71
Foreign Portfolio Investor (Corporate) & FII	2854241	10.51
Non -Resident Indians (Repatriable)	453596	1.67
Non -Resident (Non -Repatriable)	115443	0.42
Other Bodies Corporate	532917	1.96
Clearing Member	73164	0.27
Hindu Undivided Family	109933	0.40
Office Bearers	9502	0.03
Directors	50636	0.19
Public	5075887	18.67
<b>TOTAL</b>	<b>27182239</b>	<b>100.00</b>

**l. Share Transfer System :**

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

As per directives issued by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), effective from April 01, 2019, transfer of shares of a listed company can only be effected in dematerialised form. In terms of the Shareholder's holding shares in the certificate form, they are requested to dematerialise their shares in their own interest. Communication in this respect has been sent by the Company to the concerned Shareholders.

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

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

**m. Dematerialization of shares:**

As on March 31, 2021, 99.81% of the Company's paid-up Equity Share Capital was held in dematerialized form with NSDL and CDSL. The Company's equity shares are regularly traded on NSE and BSE.

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

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

**o. Commodity price risk or foreign exchange risk and hedging activities:**

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

**p. Registrar and Share Transfer Agent:**

The Company has appointed Link Intime India Private Limited as its Registrar. As required under Regulation 7(3) of the SEBI Listing Regulations, the Company has filed a Certificate issued by Registrar and the Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by its RTA.

**q. Plant Locations:**

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

**r. Address for Correspondence:**

All shareholders' correspondence relating to share transfer / dematerialisation of shares, payment of dividend and any other queries of shares should be

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

**Link Intime India Pvt. Ltd.**

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

**Compliance Officer**

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

The Company's dedicated e-mail address for Investors' Complaints and other communications is [investors.services@shemaroo.com](mailto:investors.services@shemaroo.com)

**s. Service of documents through Email:**

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

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

**t. Nomination Facility:**

As per the provisions of the Act, facility for making nomination is available for shareholders in respect of shares held by them. Shareholders holding shares in physical form may obtain nomination form, from the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

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

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

**8. OTHER DISCLOSURES**

**i. Related Party Transactions:**

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

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

**ii. Whistle Blower Policy/Vigil Mechanism:**

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

**iii. Reconciliation of Share Capital Audit:**

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

**iv. Compliance with mandatory requirements:**

The Company has complied with all applicable mandatory requirements of the SEBI Listing Regulations as on March 31, 2021. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the Compliance Officer is submitted with the Stock Exchanges where the shares of the Company are listed.

**v. Details of non-compliance by the Company:**

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

**vi. Adoption of Discretionary Requirements:****a. Chairman**

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

**b. Shareholder Rights**

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

A Physical copy of Annual Report is 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 have made specific request for the same.

**c. Modified opinion(s) in audit report**

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

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

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

**e. Reporting of Internal Auditor**

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

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

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

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

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

Pursuant to Regulation 39(4) of SEBI Listing Regulations read with Schedule VI thereof, the Company reports that there are no outstanding unclaimed shares for the period April 01, 2020 to March 31, 2021.

**ix. Code of Conduct for Prevention of Insider Trading**

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

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

The Code of Conduct is available on the website of the Company at [www.shemarooent.com](http://www.shemarooent.com)

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

The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2021.

**xi. Certificate for Non-Disqualification of Directors**

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

**xii. Review of Prevention of Sexual Harassment**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of complaints received and redressed during the financial year 2020-21 are as under:

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

**xiii. Recommendation by the Committee of the Board**

During the financial year 2020-21, the Board has accepted all the recommendations of its Committees.

**xiv. Statutory Audit Fees**

Total fees paid by the Company and its subsidiaries to the statutory auditors of the Company and all other entities forming part of the same network, aggregate of Rs. 15.32 Lakhs.

**xv. CEO/CFO Certification**

The 'Managing Director (MD)' and 'Chief Executive Officer & Chief Financial Officer (CEO & CFO)' have certified to

the Board with regard to the compliance made by them in terms of Regulation 17(8) read with Part B of Schedule II of SEBI Listing Regulations and the said certificate forms part of this Report.

**xvi. Compliance Certificate of the Auditors**

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

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

In accordance with Regulation 26(3) read with Schedule V of SEBI Listing Regulations, We hereby declare that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the financial year March 31, 2021.

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

Mumbai  
June 08, 2021

sd/-  
**Raman Maroo**  
Managing Director  
DIN: 00169152

sd/-  
**Hiren Gada**  
CEO & CFO  
DIN: 01108194

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

To,  
The Board of Directors  
Shemaroo Entertainment Limited

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief;
  - i. these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit committee:
- i. significant changes, if any, in the internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

sd/-  
**Raman Maroo**  
Managing Director  
DIN: 00169152

sd/-  
**Hiren Gada**  
CEO & CFO  
DIN: 01108194

Mumbai  
June 08, 2021

### AUDITORS'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
**Shemaroo Entertainment Limited**  
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Shemaroo Entertainment Limited**, for the year ended on 31<sup>st</sup> March 2021 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

**For Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Mannish L. Ghia**  
Partner  
M. No. FCS 6252, C.P. No. 3531  
PR 822/2020  
UDIN: F006252C000427277

Place: Mumbai  
Date: June 08, 2021

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

[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 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the audit period**); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Cinematograph Act, 1952, Copyright Act, 1957, Information Technology Act, 2000, Food Safety and Standards Act, 2006 and the rules, regulations made thereunder, being laws that are specifically applicable to the Company based on their sector/industry.



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

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

**We further report that**

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

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:

1. the board of directors vide their resolution passed at the meeting held on July 29, 2020 accorded their approval for:
  - (a) write off of entire investment in Vistaas Digital Media Private Limited, an associate company; and
  - (b) closure of wholly owned overseas subsidiary of the company viz., Shemaroo Entertainment Limited LLC, UAE;
2. the shareholders of the company vide the special resolution passed at the 15<sup>th</sup> Annual General meeting held on 29<sup>th</sup> September, 2020 granted their approval for providing an option to the lenders (Financial Institutions/Banks) to convert their outstanding debts/facilities into equity shares.

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  
(Unique ID: P2006MH007100)

**CS Mannish L. Ghia**  
Partner  
M. No. FCS 6252, C.P. No. 3531  
PR 822/2020  
UDIN : F006252C000427145

Place: Mumbai  
Date: June 08, 2021

To,  
The Members,  
**Shemaroo Entertainment Limited**  
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

**For Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

Place: Mumbai  
Date: June 08, 2021

**CS Mannish L. Ghia**  
Partner  
M. No. FCS 6252, C.P. No. 3531  
PR 822/2020  
UDIN : F006252C000427145

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the standalone Ind AS financial statements of **Shemaroo Entertainment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Key Audit Matters	Auditors Response
<p><b>Valuation and Amortisation of Inventory: -</b></p> <p>The media content (copyrights) are stated at lower of cost/unamortised cost or realisable value. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand. An appropriate impairment is made in cases where accelerated impairment is warranted.</p> <p>We considered this as key audit matter due to the amount of balance Inventory and because of the Company's assessment of the fair value of the Inventory. This assessment involves judgements about the valuation methodology, future performance of business and future cash flow projections.</p>	<p>Our procedures consisted of challenging management's methodology and key assumptions and included the following audit procedures:</p> <p>Evaluated the design of internal controls relating to review of Inventory impairment testing performed by management.</p> <p>Designed and performed audit procedures with respect to impairment testing workings including the assumptions and estimates used in evaluation of carrying values of assets where there is an indication of impairment.</p> <p>Assessing the appropriateness of any changes to assumptions since the prior period</p>

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

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

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

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

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

### Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31.4 to the standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Date : June 08, 2021  
Place: Mumbai

**S. Poosaidurai**  
Partner  
Chartered Accountants  
Membership No. 223754  
UDIN : 2122374AAAAEX4531

## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE)

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

- b) According to information and explanations given to us, tax on the following amounts of income addition has not been deposited by the Company on account of disputes:

Name of the statute	Nature of Dues	Amount (₹ in lakhs)	Period to which amount relates	From where the dispute is pending
Income Tax Act	Income Tax	45.69	F.Y. 2010-11	ITAT
Maha VAT	VAT	153.14	F.Y. 2010-11	Tribunal Appeal
		32.66	F.Y. 2016-17	
Central Sales Tax	CST	15.38	F.Y. 2010-11	Tribunal

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

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Date : June 08, 2021  
Place: Mumbai

**S. Poosaidurai**  
Partner  
Chartered Accountants  
Membership No. 223754  
UDIN : 2122374AAAAEX4531

## 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, 2021 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 Regn. No. 000679S)

**S. Poosaidurai**  
Partner

Date : June 08, 2021  
Place: Mumbai

Chartered Accountants  
Membership No. 223754  
UDIN : 2122374AAAAEX4531



# BALANCE SHEET

## AS AT 31<sup>ST</sup> MARCH 2021

				(₹ in Lakhs)	
Particulars	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020		
<b>ASSETS</b>					
<b>I Non-Current Assets</b>					
(a) Property, Plant and Equipment	3 (a)	2,539.74	3,071.91		
(b) Intangible assets	3 (b)	81.27	94.90		
(c) Intangible assets under development	3 (c)	-	21.98		
(d) Right of use Assets	4	93.07	214.38		
(e) Financial assets					
(i) Non-Current Investments	5 (a)	612.03	1,395.66		
(ii) Loans and Advances	5 (b)	41.83	70.74		
(iii) Other Financial assets	5 (c)	24.04	32.66		
(f) Other non-current assets	6	186.14	153.99		
<b>Total Non-Current Assets</b>		<b>3,578.13</b>	<b>5,056.21</b>		
<b>II Current assets</b>					
(a) Inventories	7	72,986.01	71,099.53		
(b) Financial assets					
(i) Trade receivables	8 (a)	5,253.45	8,095.99		
(ii) Cash and Cash Equivalents	8 (b)	8.26	38.27		
(iii) Other Bank Balances	8 (c)	649.10	34.83		
(iv) Loans and Advances	8 (d)	228.54	311.15		
(c) Current Tax Assets (Net)		2,451.00	1,121.99		
(d) Other current assets	9	2,371.25	2,784.12		
<b>Total Current Assets</b>		<b>83,947.62</b>	<b>83,485.87</b>		
<b>Total Assets</b>		<b>87,525.75</b>	<b>88,542.08</b>		
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	10	2,718.22	2,718.22		
(b) Other Equity	11	55,408.11	57,246.81		
<b>Total Equity</b>		<b>58,126.33</b>	<b>59,965.03</b>		
<b>Liabilities</b>					
<b>I Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Non-Current borrowings	12	1,740.66	2,386.09		
(ii) Lease Liability		13.84	139.59		
(b) Provisions	13	107.79	161.95		
(c) Deferred tax Liabilities (Net)	14	182.59	207.00		
<b>Total Non-Current Liabilities</b>		<b>2,044.88</b>	<b>2,894.64</b>		
<b>II Current liabilities</b>					
(a) Financial Liabilities					
(i) Current Borrowings	15 (a)	23,651.55	19,677.57		
(ii) Trade payables	15 (b)				
- Due to Micro and Small Enterprises		210.02	79.22		
- Due to Others		2,302.03	4,486.88		
(iii) Other Financial Liabilities	15 (c)	723.87	1,001.12		
(iv) Lease Liability		90.63	96.25		
(b) Other Current Liabilities	16	295.66	238.49		
(c) Provisions	17	80.78	102.90		
(d) Current Tax Liabilities (net)		-	-		
<b>Total Current Liabilities</b>		<b>27,354.54</b>	<b>25,682.41</b>		
<b>Total Liabilities</b>		<b>29,399.42</b>	<b>28,577.05</b>		
<b>Total Equity and Liabilities</b>		<b>87,525.75</b>	<b>88,542.08</b>		

See accompanying notes forming part of the financial statements

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As per our report of even date

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

S. Poosaidurai  
Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

Raman Maroo  
Managing Director  
DIN 00169152

Dipesh Gosar  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

Atul Maru  
Jt. Managing Director  
DIN 00169264

Hiren Gada  
CEO & CFO  
DIN 01108194

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)			
Particulars	Notes	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>I. Income</b>			
Revenue from operations	18	30,518.35	47,967.24
Other income	19	129.42	175.23
<b>Total Income</b>		<b>30,647.77</b>	<b>48,142.47</b>
<b>II. Expenses</b>			
Operational Cost	20	20,670.30	30,686.69
Employee benefits expense	21	5,724.94	6,527.78
Finance costs	22	2,697.23	2,341.44
Depreciation and amortization expense	3 & 4	722.31	746.24
Other expenses	23	2,752.86	3,241.92
<b>Total Expenses</b>		<b>32,567.65</b>	<b>43,544.06</b>
<b>III. Profit/(Loss) before exceptional items and tax</b>		<b>(1,919.88)</b>	<b>4,598.40</b>
<b>IV. Exceptional Items</b>	31.9	29.18	1,092.35
<b>V. Profit before Tax for the period (III-IV)</b>		<b>(1,949.06)</b>	<b>3,506.06</b>
<b>VI. Tax expense</b>			
Current tax pertaining to current year		-	1,193.17
Short/(Excess) provision of the earlier years		0.19	66.04
Deferred tax Liability/ (Asset)	14	(24.41)	(132.34)
<b>Total Tax expense</b>		<b>(24.22)</b>	<b>1,126.87</b>
<b>VII. Profit for the year (A) (V-VI)</b>		<b>(1,924.84)</b>	<b>2,379.19</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
Remeasurements of defined benefit plans		86.14	147.41
Tax relating to items that will not be reclassified to Profit and Loss		-	(37.10)
<b>Total Other Comprehensive Income for the year (B)</b>		<b>86.14</b>	<b>110.31</b>
<b>IX. Total comprehensive income for the year (A + B)</b>		<b>(1,838.70)</b>	<b>2,489.50</b>
<b>X. Earnings per equity share [face value of share ₹ 10]</b>	24		
(a) Basic (₹)		(7.08)	8.75
(b) Diluted (₹)		(7.08)	8.75

See accompanying notes forming part of the financial statements

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As per our report of even date

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

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

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Raman Maroo**  
Managing Director  
DIN 00169152

**Dipesh Gosar**  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Hiren Gada**  
CEO & CFO  
DIN 01108194

# STANDALONE CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(1,919.88)	4,598.40
Adjustments for :		
Other Comprehensive Income	86.14	147.41
Depreciation & Amortisation	722.31	746.24
Dividend Income	-	(0.50)
Financial Cost	2,697.23	2,341.44
Interest Income	(51.37)	(86.74)
Unrealised foreign exchange Gain/(Loss)	5.67	(30.19)
Net Loss on Sale and Write off of Assets	22.90	(0.27)
Loss on loan written off in Subsidiaries	108.96	31.78
Remeasurement of Lease Liability	(20.58)	-
Provision for Compensated leave absences	(50.82)	32.97
Provision for Gratuity	17.22	(125.46)
Bad Debts written off	359.05	-
<b>Operating profit before working capital changes</b>	<b>1,976.83</b>	<b>7,655.07</b>
Adjustments for :		
Decrease/(Increase) in Trade or Other Receivable	2273.18	7,082.58
Decrease/(Increase) in Inventories	(1886.48)	(11,028.23)
Increase/(Decrease) in Trade or Other Payable	(191.52)	1,097.20
<b>Cash generated from/(used in) operations</b>	<b>452.00</b>	<b>4,806.62</b>
Direct Taxes paid (net)	1,329.20	3,933.05
<b>Net cash from/(used in) operating activities</b>	<b>(877.20)</b>	<b>873.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Property, Plant and Equipment	0.43	0.68
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(89.80)	(698.85)
Investment in/Withdrawal from Subsidiaries	754.45	25.54
Loan to Subsidiaries	(51.74)	(184.63)
Dividend Income	-	0.50
Interest Income	51.37	86.74
<b>Net cash from/(used in) investing activities</b>	<b>664.71</b>	<b>(770.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	-	(448.51)
Tax on Dividend Paid	-	(92.19)
Payment of lease liability	(94.19)	(106.46)
Increase/(Decrease) in Non-Current Borrowings	(1016.73)	2,823.52
Increase/(Decrease) in Current Borrowings	3973.98	(10.41)
Financial Cost	(2,680.58)	(2,313.99)
<b>Net cash from/(used in) financing activities</b>	<b>182.48</b>	<b>(148.04)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(30.01)</b>	<b>(44.49)</b>
Cash and cash equivalents as at the beginning of the year	38.27	82.75
<b>Cash and cash equivalents as at the end of the year</b>	<b>8.26</b>	<b>38.27</b>

**Note :**

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

S. no.	Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
i)	Balances with banks		
	- Current accounts in Indian rupees	2.72	32.07
ii)	Cash on Hand	5.54	6.20
	<b>Total</b>	<b>8.26</b>	<b>38.27</b>

As per our report of even date

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

S. Poosaidurai  
Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

Raman Maroo  
Managing Director  
DIN 00169152

Dipesh Gosar  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

Atul Maru  
Jt. Managing Director  
DIN 00169264

Hiren Gada  
CEO & CFO  
DIN 01108194

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED MARCH 31, 2021

#### A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note	Balance as at	Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March 2021	Balance as at 31 <sup>st</sup> March 2020
		1 <sup>st</sup> April 2020	2019-20	2020-21		
Equity Share Capital	10	2,718.22	-	-	2,718.22	2,718.22

#### B. Other Equity

(₹ in Lakhs)

Particulars	Note	Reserves & Surplus			Other Comprehensive Income	Total
		Securities premium account	General reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1 <sup>st</sup> April 2020		14,340.81	2,112.81	40,624.42	168.77	57,246.81
Total Comprehensive Income for the year	11	-	-	(1,924.84)	86.14	(1,838.70)
Dividends (including Dividend Distribution Tax)		-	-	-	-	-
Transfer to General Reserve		-	-	-	-	-
Written down to the Statement of Profit and Loss during the year		-	-	-	-	-
Balance as at 31 <sup>st</sup> March 2021		14,340.81	2,112.81	38,699.58	254.91	55,408.11

As per our report of even date

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

S. Poosaidurai  
Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

Raman Maroo  
Managing Director  
DIN 00169152

Dipesh Gosar  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

Atul Maru  
Jt. Managing Director  
DIN 00169264

Hiren Gada  
CEO & CFO  
DIN 01108194

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021

### 1 Corporate information

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

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

### 2 Significant accounting policies

#### 2.1 Statement of Compliance

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

#### 2.2 Basis of accounting and preparation of financial statements

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

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

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

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

#### 2.3 Use of estimates

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

### 2.4 Summary of Significant Accounting Policies

#### (a) Property, Plant & Equipment

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

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

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

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

#### (b) Intangible asset

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

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

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

#### (c) Depreciation and amortisation

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

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

Office Building	58 years
Plant & Machinery	2 - 15 years
Furniture & Fixtures	10 years
Motor Vehicle	8 - 10 years

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

Computer Software	5 years
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#### (d) Borrowing Costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

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

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

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

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

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

#### (f) Investments

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

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

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

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

#### (g) Inventories

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### (h) Cash and cash equivalents

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

#### (i) Cash Flow Statement

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

#### (j) Financial Assets

##### A. Initial recognition and measurement :

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

##### B. Subsequent measurement :

###### a) Financial assets carried at amortised cost

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

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

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

##### C. Investment in subsidiaries, associates and joint ventures :

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

##### D. Impairment of Financial assets :

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating

impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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

#### (k) Financial Liabilities

##### A. Initial recognition and measurements :

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

##### B. Subsequent measurement :

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

#### (l) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

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

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

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

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

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

#### (m) Employee Benefits

##### Short Term Employee Benefits

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

##### Long Term Employee Benefits

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

##### Post-employment Benefits

##### Defined Contribution Plans

A Defined contribution plan is a post-employment benefit plan under which the Company pays specified

contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Gratuity

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

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

#### (n) Tax Expenses

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

##### Current Tax

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

##### Deferred Tax

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### (o) Foreign currencies transactions and translation

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

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

#### (p) Revenue recognition

##### Ind AS 115 'Revenue from Contracts with Customers'

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

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

##### Sale of goods

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

##### Income from Services

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

#### (q) Other income

##### i) Interest Income

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

##### ii) Dividend Income

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

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

#### (r) Purchase of rights

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

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

#### (s) Earnings per share

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

#### (t) Provisions & Contingencies

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### Non-Current Assets

##### 3(a) Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Total
<b>Cost or Deemed Cost</b>					
At 1 <sup>st</sup> April 2020	5,911.64	275.01	584.36	984.13	7,755.14
Additions	71.02	-	-	-	71.02
Disposals	(63.14)	(5.05)	-	-	(68.19)
<b>At 31<sup>st</sup> March 2021</b>	<b>5,919.52</b>	<b>269.95</b>	<b>584.36</b>	<b>984.13</b>	<b>7,757.97</b>
<b>Accumulated Depreciation</b>					
At 1 <sup>st</sup> April 2020	3,840.83	140.61	447.68	254.11	4,683.22
Charge for the year	536.36	29.01	20.45	16.02	601.84
Disposals	(61.78)	(5.05)	-	-	(66.84)
<b>At 31<sup>st</sup> March 2021</b>	<b>4,315.40</b>	<b>164.56</b>	<b>468.13</b>	<b>270.13</b>	<b>5,218.23</b>
<b>Net Block</b>					
At 1 <sup>st</sup> April 2020	2,070.81	134.40	136.68	730.02	3,071.91
At 31 <sup>st</sup> March 2021	1,604.12	105.39	116.23	714.00	2,539.74

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

##### 3(b) Other Intangible assets

	Software	Total
<b>Cost or Deemed Cost</b>		
At 1 <sup>st</sup> April 2020	438.71	438.71
Purchase	18.79	18.79
Disposals	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>457.49</b>	<b>457.49</b>
<b>Accumulated amortisation</b>		
At 1 <sup>st</sup> April 2020	343.81	343.81
Charge for the year	32.41	32.41
Disposals	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>376.22</b>	<b>376.22</b>
<b>Net Block</b>		
At 1 <sup>st</sup> April 2020	94.90	94.90
At 31 <sup>st</sup> March 2021	81.27	81.27

##### 3(c) Intangible assets under development

	Software	Total
At 1 <sup>st</sup> April 2020	21.98	21.98
Additions	(21.98)	(21.98)
Capitalised during the year	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

4 Right of use Assets		(₹ in Lakhs)	
	Office Building	Total	
<b>Cost or Deemed Cost</b>			
At 1 <sup>st</sup> April 2020	306.46	306.46	
Additions	34.36	34.36	
Deductions	-	-	
At 31 <sup>st</sup> March 2021	<b>340.83</b>	<b>340.83</b>	
<b>Accumulated amortisation</b>			
At 1 <sup>st</sup> April 2020	92.09	92.09	
Charge for the year	88.06	88.06	
Disposals	67.61	67.61	
At 31 <sup>st</sup> March 2021	<b>247.75</b>	<b>247.75</b>	
<b>Net Block</b>			
At 1 <sup>st</sup> April 2020	214.38	214.38	
At 31 <sup>st</sup> March 2021	<b>93.07</b>	<b>93.07</b>	

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>NON-CURRENT ASSETS</b>		
<b>5 Financial Assets</b>		
<b>(a) Non- Current Investments</b>		
Investments measured at Cost		
In Subsidiaries, Unquoted		
(i) 1,000,000 (31 <sup>st</sup> March 2020: 1,000,000) Equity shares of ₹ 10/- each fully paid up of Canopy Entertainment Private Limited	100.00	100.00
(ii) 1,000 (31 <sup>st</sup> March, 2020: 1,000 ) units of Shemaroo Media & Entertainment LLC, USA	33.57	33.57
(iii) Capital Account in Shemaroo Think Tank Entertainment LLP		
-in fixed capital account	1.00	1.00
-in current capital account	(486.24)	170.91
(iv) Capital Account in Contentino Media LLP		
- in fixed capital account	0.65	0.65
- in current capital account	708.21	805.51
(v) Nil (31 <sup>st</sup> March 2020: 1,50,000) Equity shares of AED 10/- each fully paid up of Shemaroo Entertainment Limited LLC	-	29.18
In Equity shares, Unquoted, fully paid up		
(vi) 50,000 (31 <sup>st</sup> March 2020: 50,000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00
(vii) 1,388 (31 <sup>st</sup> March 2020:1,388) Equity shares of ₹ 10/- each fully paid up of Dominiche Productions Private Limited	249.84	249.84
<b>Total</b>	<b>612.03</b>	<b>1,395.66</b>
<b>OTHER DISCLOSURES</b>		
Aggregate amount of unquoted Investment	612.03	1,395.66
	<b>612.03</b>	<b>1,395.66</b>
<b>(a.i) Category-wise Non-Current Investments</b>		
Financial Assets measured at amortised cost	612.03	1,395.66
<b>Total</b>	<b>612.03</b>	<b>1,395.66</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

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

Sr. No.	Partner's Name	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Shemaroo Think Tank Entertainment LLP</b>			
i.	Shemaroo Entertainment Limited	99.99%	99.99%
ii.	Raman Hirji Maroo	0.01%	0.01%
	<b>Total share</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Contentino Media LLP</b>			
i.	Shemaroo Entertainment Limited	65.00%	65.00%
ii.	Murtuza Fakhruddin Kagalwala	17.50%	17.50%
iii.	Rajesh Kumar Das	17.50%	17.50%
	<b>Total share</b>	<b>100.00%</b>	<b>100.00%</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(b) Loans &amp; Advances</b>		
Unsecured, considered good		
Loans to employees	5.19	7.84
Trade Deposits	33.82	30.32
Lease Deposits	2.82	32.58
<b>Total</b>	<b>41.83</b>	<b>70.74</b>
<b>(c) Other Financial Assets</b>		
Bank Deposits with more than 12 months maturity (refer note below)	24.04	32.66
<b>Total</b>	<b>24.04</b>	<b>32.66</b>
<b>Note:</b>		
Deposits includes balances with banks held as margin money deposits against guarantees	16.54	20.20
<b>6 Other Non- Current Assets</b>		
Balance with Customs and Central Excise Authorities	106.91	106.91
Prepaid lease payments	0.63	7.42
Gratuity plan asset (net of provisions)	78.61	39.66
<b>Total</b>	<b>186.14</b>	<b>153.99</b>
<b>CURRENT ASSETS</b>		
<b>7 Inventories</b>		
<b>Work-in-Progress</b>		
Media content under Production	277.67	358.21
<b>Stock-in-Trade</b>		
Copyrights	72,387.26	70,347.45
Physical Media	321.08	393.87
<b>Total</b>	<b>72,986.01</b>	<b>71,099.53</b>

**Note:** The entire book value (carrying amount) of inventories is pledged as security for Cash Credit Facilities taken from banks.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>8 Financial Assets</b>		
<b>(a) Trade receivables</b>		
Unsecured Trade receivables		
- considered good	5,299.04	8,143.14
Less: Expected Credit loss allowance	(45.59)	(47.15)
<b>Total</b>	<b>5,253.45</b>	<b>8,095.99</b>
<b>For transactions relating to related party receivables, refer note 26 (a)</b>		
<b>Note: Movement in expected credit loss allowance</b>		
Opening Balance	47.15	42.29
Movement in expected credit loss allowance during the year	(1.56)	4.85
<b>Closing Balance</b>	<b>45.59</b>	<b>47.15</b>
<b>(b) Cash and Cash Equivalents</b>		
i) Balances with banks		
- Current accounts in Indian rupees	2.72	32.07
ii) Cash on Hand	5.54	6.20
<b>Total</b>	<b>8.26</b>	<b>38.27</b>
<b>(c) Other Bank Balances</b>		
i) Deposits with original maturity of more than 3 months and remaining maturity less than 12 months	627.25	5.08
ii) Earmarked balances with Banks for :		
- Margin money deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	18.09	26.00
- Balances with bank for unpaid dividend	0.52	0.52
- Balances with bank for Refund of Share Application Money	3.24	3.24
<b>Total</b>	<b>649.10</b>	<b>34.83</b>
<b>(d) Loans &amp; Advances</b>		
Unsecured, considered good		
Loans to subsidiaries (Refer Note 26 (a))	210.71	267.94
Loan to employees	17.83	43.21
<b>Total</b>	<b>228.54</b>	<b>311.15</b>
<b>9 Other Current Assets</b>		
Advances paid for Supply of Goods and Rendering of Services	296.04	1,257.78
Other Taxes Receivable	1,408.74	851.91
Prepaid Expense	584.30	597.04
Trade Deposits	43.30	48.60
Lease Deposits	28.00	-
Others	10.86	28.78
<b>Total</b>	<b>2,371.24</b>	<b>2,784.12</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>10 Equity Share capital</b>		
<b>Authorized shares capital</b>		
3,00,00,000 equity shares of ₹ 10/- each (Previous Year 3,00,00,000)	3,000.00	3,000.00
<b>Issued, subscribed and paid-up capital</b>		
2,71,82,239 (Previous year 2,71,82,239) equity shares of ₹ 10/- each fully paid up	2,718.22	2,718.22
<b>Total</b>	<b>2,718.22</b>	<b>2,718.22</b>

#### OTHER DISCLOSURES

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

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

	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the year	2,71,82,239	2,718.22	2,71,82,239	2,718.22
<b>Outstanding at the end of the year</b>	<b>2,71,82,239</b>	<b>2,718.22</b>	<b>2,71,82,239</b>	<b>2,718.22</b>

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

Name of Shareholder	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Hirji Maroo	48,09,520	17.69%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%
Mr. Buddhichand Hirji Maroo	35,75,310	13.15%	35,75,320	13.15%
Fidelity Funds - Asian Smaller Companies Pool	17,64,841	6.49%	17,64,841	6.49%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%
New Horizon Opportunities Master Fund	-	-	23,09,599	8.50%
<b>Total</b>	<b>1,67,82,031</b>	<b>61.74%</b>	<b>1,90,91,640</b>	<b>70.24%</b>

#### 11 Other Equity

<b>(a) Reserves &amp; Surplus</b>		
<b>I Securities premium account</b>		
Opening balance	14,340.81	14,340.81
<b>Closing Balance (A)</b>	<b>14,340.81</b>	<b>14,340.81</b>
<b>II General reserve</b>		
Opening balance	2,112.81	2,112.81
<b>Closing Balance (B)</b>	<b>2,112.81</b>	<b>2,112.81</b>
<b>III Retained Earnings</b>		
Opening balance	40,624.42	38,792.21
Impact on account of adoption of Ind AS 116, net of tax (refer note 29)	-	(6.28)
Profit for the year	(1,924.84)	2,379.19
Payment of Dividend on Equity Shares	-	(448.51)
Tax on Proposed Dividend	-	(92.19)
<b>Closing Balance</b>	<b>38,699.58</b>	<b>40,624.42</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(b) Other Comprehensive Income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
- Remeasurements of defined benefit plans		
Opening Balance	168.77	58.46
Remeasurements during the year	86.14	147.41
Deferred tax on remeasurements during the year	-	(37.10)
<b>Closing Balance</b>	<b>254.91</b>	<b>168.77</b>
<b>Total Retained Earnings (C)</b>	<b>38,954.49</b>	<b>40,793.19</b>
<b>Total (A + B + C)</b>	<b>55,408.11</b>	<b>57,246.81</b>

#### Non-Current Liabilities

##### Financial Liabilities

Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>12 Non-Current Borrowings</b>					
<b>(a) Secured Bank Loan - at amortised cost</b>					
(i) Term Loan, secured by hypothecation of Machinery/ Equipment	9.85% (Linked to One Year MCLR)	31-Mar-21	Repayment monthly in eleven equal installments of Rs 40 Lakhs & One installment of Rs 39 Lakhs	-	477.35
(ii) Term Loan, secured by hypothecation of motor vehicles	8.61%	15-Sep-21	Repayment monthly in 37 equal installments of Rs 1,01,690/- as per repayment schedule of the Bank	5.95	17.08
(iii) Term Loan, secured by hypothecation of motor vehicles	9.18%	10-Dec-21	Repayment monthly in 36 equal installments of Rs 17,537/- as per repayment schedule of the Bank	1.52	3.39
(iv) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of Rs 44,683/- as per repayment schedule of the Bank	3.87	8.63
(v) Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of Rs 44,683/- as per repayment schedule of the Bank	3.87	8.63
<b>(b) Unsecured Bank Loan - at amortised cost</b>					
(i) Unsecured Term Loan	8.25%	05-Dec-24	Repayment monthly in 59 equal installments of Rs 62,08,382/- as per repayment schedule of the Bank	2,315.33	2,832.19
<b>Total Non-Current Borrowings</b>				<b>2,330.55</b>	<b>3,347.27</b>
Less: Current Maturities of Secured long-term debt (included in Note 15 (c))				15.22	462.53
Less: Current Maturities of Unsecured long-term debt (included in Note 15 (c))				574.67	498.65
<b>Non-Current Borrowings</b>				<b>1,740.66</b>	<b>2,386.09</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### Note: Assets pledged as Security:

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Non Financial Assets</b>			
Office Building	3 (a)	714.00	730.02
Plant and Machinery	3 (a)	1,604.12	369.48
Motor Vehicles	3 (a)	58.19	67.86
Intangibles-Software	3 (b)	-	13.91
Inventories	7	72,986.01	71,099.53
<b>Financial Assets</b>			
Trade Receivables	8 (a)	5,253.45	8,095.99
<b>Total</b>		<b>80,615.77</b>	<b>80,376.80</b>

#### 13 Provisions

Provision for employee benefits:  
- Compensated leave absences

**Total**

107.79      161.95  
**107.79      161.95**

#### 14 Deferred Tax Liabilities

**Balances comprises temporary differences attributable to:**

Property, Plant & Equipment & Intangible Assets  
Provision for Gratuity and Leave Encashment  
Lease Liability  
Other Financial Liability at amortised cost

**Net Deferred Tax Liability**

206.83      255.54  
(22.99)      (51.23)  
(2.87)      (5.40)  
1.61      8.09  
**182.59      207.00**

#### Note: Movements in Deferred Tax Liabilities/(Assets)

Particulars	Property, Plant and Equipment & Intangible Assets	Financial Liability at amortised cost	Provision for Gratuity and Leave Encashment	Net Balance
Opening Balance as on 1 <sup>st</sup> April 2020	255.54	2.68	(51.23)	207.00
On first time adoption of Ind AS 116	-	-	-	-
Charge or (Credit) to the Statement of Profit and Loss	(48.71)	(3.94)	28.24	(24.41)
<b>Closing Balance as on 31<sup>st</sup> March 2021</b>	<b>206.83</b>	<b>(1.26)</b>	<b>(22.99)</b>	<b>182.59</b>

#### Current Liabilities

#### 15 Financial Liabilities

##### (a) Current Borrowings

##### Loan Repayable on Demand

Secured Loan from Bank

{Secured by hypothecation of stock, book debts and collaterally secured by mortgage of property owned by the company, second charge on Machinery and personal guarantee of some of the directors of the company}

Unsecured Bank Overdraft

Unsecured Bank Short Term Loan

##### Loans & Advances (Unsecured)

- Intercompany Deposits from others

- Directors

**Total**

16,304.86      12,458.77  
  
1,851.12      1,767.94  
2,763.67      2,658.17  
150.00      150.00  
2,581.90      2,642.69  
**23,651.55      19,677.57**

##### (b) Trade payable

(a) Due to Micro and Small Enterprises  
(Refer Note No. 31.5)

(b) Due to Others

**Total**

210.02      79.22  
2,302.03      4,486.88  
**2,512.05      4,566.10**

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



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(c) Other Financial Liabilities</b>		
Current Maturities of Secured long-term debt	15.22	462.53
Current Maturities of Unsecured long-term debt	574.67	498.65
Security Deposit Received	22.09	18.20
Interest accrued but not due on borrowings	108.13	17.98
Others	3.24	3.24
Unclaimed Dividend Payable	0.52	0.52
<b>Total</b>	<b>723.87</b>	<b>1,001.12</b>
<b>16 Other Current Liabilities</b>		
Advances received from Customers	5.00	5.05
Prepayments Received	0.91	2.80
Statutory Dues Payable	259.66	217.40
Others	30.09	13.24
<b>Total</b>	<b>295.66</b>	<b>238.49</b>
<b>17 Provisions</b>		
<b>Provision for Employee Benefits</b>		
- Gratuity	40.85	63.29
- Compensated leave absences	21.30	17.96
- E S I C	0.26	0.39
- Provident Fund	18.34	21.25
- Maharashtra Labour Welfare Fund	0.02	0.00
<b>Total</b>	<b>80.78</b>	<b>102.90</b>
<b>Note: Income Tax expenses for the year can be reconciled to accounting profit as follows:</b>		
Profit before tax	(1,919.88)	4,598.40
<b>Tax effect of :</b>		
Depreciation as per Income Tax Rules	(441.63)	(577.13)
Deductions	(95.62)	(139.71)
Exempted Dividend Income	-	(0.50)
Expenses disallowed	940.21	859.76
	<b>(1,516.91)</b>	<b>4,740.82</b>
Applicable Tax Rate	25%	25%
<b>Current tax expenditure for the year</b>	<b>-</b>	<b>1,193.17</b>
Tax Deduction at Source	(982.84)	(2,155.08)
	<b>(982.84)</b>	<b>(961.91)</b>

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

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>18 Revenue from Operations</b>		
Sale of Rights	26,936.08	46,042.25
Sale of Products	227.02	713.22
Income from Services	3,355.25	754.80
Other Operating Revenue	-	456.95
<b>Total</b>	<b>30,518.35</b>	<b>47,967.24</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>19 Other Income</b>		
Interest	51.37	86.74
Dividend from Non-Trade Investment	-	0.50
Other	78.05	87.99
<b>Total</b>	<b>129.42</b>	<b>175.23</b>
<b>20 Operational Cost</b>		
Inventories at the beginning of the year	71,099.53	60,071.29
Purchases	15,902.63	38,326.18
Works Cost	6,654.15	3,388.75
Less: Inventories at the end of the year	(72,986.01)	(71,099.53)
<b>Total</b>	<b>20,670.30</b>	<b>30,686.69</b>
<b>21 Employee Benefit Expense</b>		
Salaries, Bonus and Allowances	5,420.94	6,138.38
Contribution to Provident & Other funds	204.77	234.71
Staff Welfare Expenses	99.23	154.69
<b>Total</b>	<b>5,724.94</b>	<b>6,527.78</b>
<b>22 Finance costs</b>		
Interest on Borrowings	2,467.16	2,173.94
Bank & Other Finance Charges	188.29	109.94
Interest on Statutory Dues	25.13	30.12
Finance Cost on Lease Assets	16.65	27.44
<b>Total</b>	<b>2,697.23</b>	<b>2,341.44</b>
<b>23 Other expenses</b>		
Bad Debts written off	359.05	-
Business Development expenses	23.26	99.31
Communication expenses	237.51	200.85
Donations (refer note no. 30)	191.09	249.98
Electricity Expenses	94.70	174.67
Foreign Exchange Loss	25.97	-
General Expenses	302.97	478.83
Expected Credit Loss (Ind-AS)	-	4.85
Loan written off (Refer Note No. 31.9)	108.96	31.78
Insurance Expenses	74.75	66.34
Legal, Professional and Consultancy expenses	512.88	664.42
Payment to Auditors (refer note (a) below)	17.15	19.58
<b>Repairs and Maintenance</b>		
- Machinery	23.95	33.18
- Others	85.65	215.57
Rents, Rates and Taxes	67.70	94.56
Security Charges	24.28	29.08
Selling and Marketing Expenses	543.30	623.56
Travelling and Conveyance	58.43	255.36
Loss due to damage of Assets	0.37	-
Loss on sale of Assets	0.89	-
<b>Total</b>	<b>2,752.86</b>	<b>3,241.92</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Note (a): Details of payments made to auditor (excluding taxes):</b>		
<b>As auditor:</b>		
Statutory Audit fee (excluding taxes)	15.00	15.00
<b>In other capacity:</b>		
Other Services	2.15	2.18
Reimbursement of expenses	-	2.40
<b>Total</b>	<b>17.15</b>	<b>19.58</b>
<b>24 Earnings per share (EPS)</b>		
Following reflects the net profit after tax and no. of shares data used in the Basic and Diluted EPS computations:		
<b>Total Operations for the year</b>		
Profit after tax	(1,924.84)	2,379.19
<b>Net Profit for calculation of basic EPS</b>	<b>(1,924.84)</b>	<b>2,379.19</b>
Net Profit as above	(1,924.84)	2,379.19
<b>Net Profit for diluted EPS</b>	<b>(1,924.84)</b>	<b>2,379.19</b>
<b>Weighted average number of equity shares in calculating EPS</b>	<b>271.82</b>	<b>271.82</b>
(a) Basic (₹)	(7.08)	8.75
(b) Diluted (₹)	(7.08)	8.75

### 25 Employee Benefits

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

#### a) Defined Contribution Plans

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

#### b) Defined Benefit Plan

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

	2020-21	2019-20
	Gratuity(Funded)	
<b>I) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Defined Benefit obligation at beginning of the year	422.40	526.53
Current Service Cost	51.37	55.06
Interest Cost	27.18	39.04
Past Service Cost	-	-
Actuarial (Gain)/Loss	(56.18)	(156.44)
Benefits paid	(47.79)	(41.78)
<b>Defined Benefit obligation at year end</b>	<b>396.98</b>	<b>422.40</b>

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

	2020-21	2019-20
	Gratuity(Funded)	
<b>II) Reconciliation of Net (Asset)/Liability recognised in the Balance Sheet as at 31<sup>st</sup> March:</b>		
Net (Asset)/Liability at the beginning of year	17.70	228.42
Expenses Recognized in Statement of Profit and Loss	51.06	70.81
Expenses Recognized in OCI	(62.00)	(159.60)
Benefit paid	(44.51)	(121.93)
<b>Net (Asset)/Liability at the end of year</b>	<b>(37.76)</b>	<b>17.70</b>
<b>III) Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	(37.76)	17.70
<b>Amount recognised in Balance Sheet</b>	<b>(37.76)</b>	<b>17.70</b>
<b>IV) Expenses recognised during the year</b>		
Current Service Cost	51.37	55.06
Net Interest Cost	(0.31)	15.75
Past Service Cost	-	-
Actuarial (Gain)/Loss	-	-
Other Transfer	-	-
<b>Net Cost</b>	<b>51.06</b>	<b>70.81</b>
<b>V) Expenses recognised in Other Comprehensive Income</b>		
Actuarial (Gains)/Losses on Obligation For the Year	(56.18)	(156.44)
Return on Plan Assets, Excluding Interest Income	(5.82)	(3.16)
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(62.00)</b>	<b>(159.60)</b>
<b>VI) Actuarial assumptions</b>		
<b>Mortality Table</b>	<b>IAL (2012-14)</b>	<b>IAL (2012-14)</b>
Discount rate (per annum)	6.79%	6.82%
Expected rate of salary increase (per annum)	4.00%	4.00%
Rate of Employee Turnover	3.00%	3.00%

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### VIII) Sensitivity Analysis

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

(₹ in Lakhs)		
Sensitivity Analysis	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	396.98	422.40
Delta Effect of +1% Change in Rate of Salary Increase	442.75	467.43
Delta Effect of -1% Change in Rate of Salary Increase	355.63	381.62
Delta Effect of +1% Change in Rate of Employee Turnover	409.68	434.98
Delta Effect of -1% Change in Rate of Employee Turnover	382.24	407.78
Delta Effect of +1% Change in Rate of Discounting	354.80	380.77
Delta Effect of -1% Change in Rate of Discounting	447.46	472.26

#### Notes:

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

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

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

#### c) Other long term benefits :

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### 26 Related party disclosures

Related Party relationship	Name of Related Parties
i) Subsidiaries	Canopy Entertainment Private Limited Contentino Media LLP Shemaroo Think Tank Entertainment LLP Shemaroo Entertainment Ltd LLC (upto 31 <sup>st</sup> March 2021) Shemaroo Media & Entertainment LLC, USA
ii) Associate Company	Vistaas Digital Media Private Limited (upto 29 <sup>th</sup> July, 2020)
iii) Key Management Personnel	Mr. Buddhichand Maroo Mr. Raman Maroo Mr. Atul Maru Mr. Jai Maroo Mr. Hiren Gada Mr. Vinod Karani Mr. Hemant Karani Mr. Bipin Dharod Mr. Ketan Maru Mrs. Kranti Gada Mrs. Smita Maroo Ms. Mansi Maroo Mr. Dipesh Gosar
iv) Relatives of Key Management Personnel	Mrs. Leelaben Maroo (wife of Mr. Buddhichand Maroo) Mrs. Kastur Maroo (wife of Mr. Raman Maroo) Mrs. Sangeeta Maru (wife of Mr. Atul Maru) Mrs. Radhika Maroo (daughter of Mr. Raman Maroo) Ms. Nirvi Maru (daughter of Mr. Atul Maru) Ms. Urvi Maru (daughter of Mr. Atul Maru) Mrs. Madhuri Gada (wife of Mr. Hiren Gada) Mrs. Varsha Karani (wife of Mr. Vinod Karani) Mrs. Harashada Karani (wife of Mr. Hemant Karani) Ms. Sneha Karani (Daughter of Mr. Hemant Karani) Mr. Denzil Arambhan (Husband of Mrs. Kranti Gada Arambhan)
v) Entities having Common Control	Atul H. Maru (HUF) Buddhichand H. Maroo (HUF) Raman H. Maroo (HUF) Shemaroo Corporation Sneha Arts Shemaroo Holdings Private Limited Think Walnut Digital Private Limited Technology and Media Group PTE. Ltd. Taurean Estate Development LLP Braj Holdings Pte. Ltd. Dominiche Productions Private Limited

**26 (a) Related Party Transactions**

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

Particulars	(₹ in Lakhs)											
	Subsidiaries As on		Associate Company As on		Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Total As on	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Purchase of Goods & Services	-	-	-	-	-	-	-	-	16.59	20.11	16.59	20.11
Sale of Goods & Services	155.13	214.84	-	-	-	-	-	-	-	-	155.13	214.84
Interest Accrued on Loan given	31.75	17.21	-	-	-	-	-	-	-	-	31.75	17.21
Investment in Subsidiary written-off	29.18	30.96	-	-	-	-	-	-	-	-	29.18	30.96
Salaries	-	-	-	-	379.66	391.23	36.75	36.95	-	-	416.41	428.18
Directors Sitting Fees	-	-	-	-	0.80	1.00	-	-	-	-	0.80	1.00
Remuneration to Directors	-	-	-	-	177.26	179.91	-	-	-	-	177.26	179.91
Interest Accrued on Loans taken	-	-	-	-	308.19	335.59	-	-	-	-	308.19	335.59
Advances/Loans Given during the year	27.96	171.76	-	-	-	-	-	-	-	-	27.96	171.76
Loans Taken during the year	-	-	-	-	612.09	561.05	-	-	-	-	612.09	561.05
Investment Done During The Year	-	29.18	-	-	-	-	-	-	-	-	-	29.18
Dues from Related Parties	382.67	386.76	-	-	-	-	-	-	-	-	382.67	386.76
Dues to Related Parties	63.30	70.18	-	-	2,581.90	2,642.69	-	-	74.17	59.80	2,719.36	2,772.67

Company has taken collective personal guarantee from related parties to the tune of Rs. 17,500 lakh, against its borrowings from the banks. The above loans from related parties are unsecured and payable on demand.

**26 (b) Compensation of Key Managerial Personnel**

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

	Mar-21	Mar-20
i. Short-term benefits	547.96	561.04
ii. Post employment benefits	8.97	10.10
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### 27 Financial Instruments

##### 27.1 Fair value measurements

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

(₹ in Lakhs)

Particulars	as at 31 <sup>st</sup> March'21				as at 31 <sup>st</sup> March'20			
	Level of inputs used in				Level of inputs used in			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
<b>I. Financial Assets</b>								
- At amortised cost								
Investments	612.03	-	-	612.03	1,395.66	-	-	1,395.66
Trade Receivables	5,253.45	-	-	5,253.45	8,095.99	-	-	8,095.99
Loans & Advances	270.37	-	-	270.37	381.89	-	-	381.89
Cash & Cash Equivalents	8.26	-	-	8.26	38.27	-	-	38.27
Other Bank Balances	649.10	-	-	649.10	34.83	-	-	34.83
Other Financial assets	24.04	-	-	24.04	32.66	-	-	32.66
<b>II. Financial Liabilities</b>								
- At amortised cost								
Borrowings	25,392.21	-	-	25,392.21	22,063.66	-	-	22,063.66
Lease Liability	104.48	-	-	104.48	235.84	-	-	235.84
Trade Payables	2,512.05	-	-	2,512.05	4,566.10	-	-	4,566.10
Security Deposit Received	22.09	-	-	22.09	18.20	-	-	18.20
Other Financial Liabilities*	701.78	-	-	701.78	982.92	-	-	982.92

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

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

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

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

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

##### 27.2 Foreign exchange exposure

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

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

(Amounts in Lakhs)

Particulars	Currency	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial Assets</b>			
Trade Receivables	USD (\$)	11.73	5.86
	EURO (€)	-	0.01
Loans to subsidiaries	USD (\$)	2.87	2.59
	AED (DH)	-	3.56



# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021

(Amounts in Lakhs)

Particulars	Currency	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Other Current Assets</b>			
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.67	0.11
	EURO (€)	0.25	-
	LKR (Rs)	-	10.11
	GBP (£)	0.27	-
<b>Financial Liabilities</b>			
Trade Payable	USD (\$)	-	3.32
	AED (DH)	-	0.03
	EURO (€)	-	0.25
<b>Other Current Liabilities</b>			
Advances received from Customers	USD (\$)	-	0.03

### 28 Financial Instruments

#### (i) Financial risk management objective and policies

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

##### a) Market risk

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

##### b) Interest rate risk

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

#### Interest rate sensitivity

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

(₹ in Lakhs)

Particulars	Interest impact (pre tax)			
	Year ended 31 <sup>st</sup> March'21		Year ended 31 <sup>st</sup> March'20	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	11.46	(11.46)	4.69	(4.69)
Impact on total equity as at the end of the reporting Year	11.46	(11.46)	4.69	(4.69)

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### c) Foreign Currency risk

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

#### d) Credit risk

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

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

Ageing of trade receivables		(₹ in Lakhs)	
Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
<b>Trade receivables (Unsecured)</b>			
over six months	613.45	735.75	
less than six months	4,685.59	7,407.39	
<b>Total</b>	<b>5,299.04</b>	<b>8,143.14</b>	

#### e) Liquidity risk

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

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

Particulars	As at 31 <sup>st</sup> March'21		As at 31 <sup>st</sup> March'20	
	Due in 1 year	Due in 2 - 3 years	Due in 1 year	Due in 2 - 3 years
<b>Financial Liabilities</b>				
Trade Payable and other financial liabilities	26,887.47	-	25,244.78	-
Borrowings	-	1,740.66	-	2,386.09
Lease Liability	90.63	13.84	96.25	139.59
<b>Total</b>	<b>26,978.11</b>	<b>1,754.50</b>	<b>25,341.03</b>	<b>2,525.69</b>

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

#### (ii) Capital Management

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

#### Gearing ratio

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

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Debt</b>		
Long Term Borrowings (Including Current Maturity of Long Term Debts)	2,330.55	3,347.27
Short Term Borrowings	23,651.55	19,677.57
Cash & Bank Balances	(681.40)	(105.76)
<b>Total debt (A)</b>	<b>25,300.69</b>	<b>22,919.09</b>
<b>Equity</b>		
Equity Share Capital	2,718.22	2,718.22
Other Equity	55,408.11	57,246.81
<b>Total equity (B)</b>	<b>58,126.33</b>	<b>59,965.03</b>
<b>Net Debt to Equity Ratio (A/B)</b>	<b>43.53%</b>	<b>38.22%</b>

#### 29 Leases

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

The company adopted modified retrospective method for the all lease contracts existing on April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application.

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

Particulars		
<b>Right of use asset:</b>		
a)	Balance as at April 1, 2020	214.38
b)	Additions made during the year	34.36
	- Office Buildings	
c)	Depreciation charged to Statement of profit and loss	(88.06)
d)	Disposal of Assets	(67.61)
e)	Balance as at March 31, 2021	
	- Office Buildings	93.07
<b>Lease Liability:</b>		
a)	Balance as at April 1, 2020	235.84
b)	Additions made during the year	34.36
c)	Deletions during the year	(78.13)
d)	Interest expenses charged to Statement of profit and loss	16.65
e)	Reduction after reinstatement of Liability	(10.06)
f)	Cash outflow for leases	(94.19)
g)	Balance as at March 31, 2021	104.47

#### Note:

- 1) The weighted average incremental borrowing rate applied to lease liability is 10 %.
- 2) The company has applied single discount rate to a portfolio of leases of similar assets.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

b) The following is the break-up of current and non-current lease liabilities:

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current lease liability	90.6	96.2
Non-current lease liability	13.8	139.6
<b>Total</b>	<b>104.5</b>	<b>235.8</b>

c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Less than one year	90.6	96.2
One to five years	13.8	139.6
More than five years		
<b>Total</b>	<b>104.5</b>	<b>235.8</b>

d) The Company does not face a significant liquidity risk with regard to its lease liability as the current assets are sufficient to meet the obligations related to lease liability as and when they fall due.

e) Rental expense charged to the Statement of profit and loss account applying paragraph 6 of Ind AS 116, on account of low-value asset is ₹ Nil and short-term leases is ₹ Nil.

### 30 Details of Corporate social responsibility expenses:

(i) The gross amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 189.41 lakhs (previous year ₹ 222.70 lakhs).

(ii) Amount approved by the board to be spent towards CSR activities during the year ₹ 189.41 lakhs.

(iii) The details of amount recognized as expense in the Statement of Profit or Loss under Note 23 above on CSR related activities is given below:

(₹ in Lakhs)	
<b>Particulars</b>	
Amount spent during the year ending on March 31, 2021:	
i) Improving & Promoting Quality Education	101.00
ii) Health care, Hygiene & Medical Facilities	81.01
iii) Rural Transformation & Protection of natural heritage, art & culture, drought relief	8.71
	<b>190.72</b>
Amount spent during the year ending on March 31, 2020:	
i) Improving & Promoting Quality Education	30.50
ii) Health care, Hygiene & Medical Facilities	92.90
iii) Rural Transformation & Protection of natural heritage, art & culture, drought relief	124.36
	<b>247.75</b>
(iv) Details of Excess CSR expenditure as at March 31, 2021:	
Opening Balance	-
Amount required to be spent during the year	189.41
Amount spent during the year	190.72
Closing Balance ( To be carried forward for next year)	1.31

### 31 Additional information to financial statements

#### 31.1 Approval of financial statements

Financial statements were approved for issue by Board of Directors on 8<sup>th</sup> June, 2021.

#### 31.2 Segment Reporting

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2021

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

- (a) Loan given by company to body corporate as at 31<sup>st</sup> March'21. (Refer note 8(d))
- (b) Investment made by the company as at 31<sup>st</sup> March'21. (Refer note 5(a))
- (c) No Guarantee has been given by the company as at 31<sup>st</sup> March'21.

#### 31.4 Contingent Liabilities and Commitments

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Disputed Direct Tax Demands	45.69	45.69
Disputed Indirect Tax Demands	201.17	441.16
	<b>246.87</b>	<b>486.85</b>

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

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

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is ₹ 210.02 Lakh during 2020-21 (Previous year 2019-20 ₹ 79.22 Lakhs) and no payments made to the suppliers beyond the appointed day and no interest has been paid or is payable during the year (previous year: nil) under the terms of the MSMED Act, 2006.

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

#### 31.7 Disclosure under IND-AS - 108

For FY 2020-2021, revenue from top 1 customer accounted for ₹ 6,221 Lakhs. For FY 2019-2020, revenue from top 1 customer accounted for ₹ 9,053 Lakhs.

**31.8** An amount of ₹ 3.24/- Lakhs grouped under other financial liabilities in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company, which is held in the F.Y 2014-15 and maintained by HDFC Bank Limited, Refund Bankers to the IPO. The same is due for transfer to Investors Education and Protection Fund on 27<sup>th</sup> September, 2021.

**31.9** During the year, Company has written off Investment in one Wholly Owned Foreign Subsidiary (WOS), Shemaroo Entertainment Limited LLC (UAE), as its under the process of winding-up.

It may also be noted that the closure of this WOS will not affect any business of the Company and will not have any significant impact on the accounts/accounting policies etc. The aforesaid WOS is not material subsidiary of the Company.

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

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

As per our report of even date

**For M K Dandeker & Co.**

Chartered Accountants  
ICAI Firm Registration No. 000679S

**S. Poosaidurai**

Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Raman Maroo**  
Managing Director  
DIN 00169152

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

**Dipesh Gosar**  
Company Secretary  
Membership No.: A23755

**Hiren Gada**  
CEO & CFO  
DIN 01108194

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHEMAROO ENTERTAINMENT LIMITED

### Report on the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Shemaroo Entertainment Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a

separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditors Response
Valuation and Amortisation of Inventory: -	Our procedures consisted of challenging management's methodology and key assumptions and included the following audit procedures: -
The media content (copyrights) are stated at lower of cost/unamortised cost or realisable value. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand. An appropriate impairment is made in cases where accelerated impairment is warranted.	Evaluated the design of internal controls relating to review of Inventory impairment testing performed by management.
We considered this as key audit matter due to the amount of balance Inventory and because of the Company's assessment of the fair value of the Inventory. This assessment involves judgements about the valuation methodology, future performance of business and future cash flow projections.	Designed and performed audit procedures with respect to impairment testing workings including the assumptions and estimates used in evaluation of carrying values of assets where there is an indication of impairment.
	Assessing the appropriateness of any changes to assumptions since the prior period.

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

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

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

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

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

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind

AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

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

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

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

#### Other Matters:

We did not audit the Ind AS financial statements of two subsidiaries whose Ind AS financials statements reflect Group's share of Total Assets of Rs. 798.56 lakhs as at March 31, 2021, Total Revenue of Rs. 575.35 lakhs and Net Cash Flows amounting to Rs. 16.25 lakhs for the year then ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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 are based solely on the report of the other auditors.

We did not audit the Ind AS financial statements of two subsidiary companies whose Ind AS financial statements reflect the Group's share of Total Assets of Rs. 59.40 lakhs as at March 31, 2021, Total Revenue of Rs. 157.89 lakhs and Net Cash Flows amounting to Rs. 19.14 lakhs for the year then ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub - sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the Management, these financial statements are not material to the Group.

The above mentioned two subsidiary companies are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our audit report in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the representation from the Management and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the management.

#### Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2021 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. The Company has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 32.4 to the consolidated Ind AS financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

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

**S. Poosaidurai**  
Partner

Date: June 08, 2021  
Place: Mumbai

Chartered Accountants  
Membership No. 223754  
UDIN: 21223754AAAAEY1060

## 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 Company") as of March 31, 2021 in conjunction with our audit of consolidated Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**S. Poosaidurai**  
Partner

Date: June 08, 2021  
Place: Mumbai

Chartered Accountants  
Membership No. 223754  
UDIN: 21223754AAAAEY1060

# Consolidated Balance Sheet

## As at March 31, 2021

				(₹ in Lakhs)
Particulars	Notes	As at 31st March 2021	As at 31st March 2020	
<b>ASSETS</b>				
<b>I Non-Current Assets</b>				
(a) Property, Plant and Equipment	3 (a)	2,548.91	3,083.36	
(b) Intangible assets	3 (b)	86.47	102.02	
(c) Intangible assets under development	3 (c)	-	21.98	
(d) Right of use Assets	4	93.07	214.38	
(e) Financial assets				
(i) Non-Current Investments	5 (a)	254.84	254.84	
(ii) Loans & Advances	5 (b)	41.83	70.74	
(iii) Other Financial assets	5 (c)	24.04	32.66	
(f) Other non-current assets	6	186.14	153.99	
<b>Total Non-Current Assets</b>		<b>3,235.30</b>	<b>3,933.96</b>	
<b>II Current assets</b>				
(a) Inventories	7	73,032.19	71,359.38	
(b) Financial assets				
(i) Trade receivables	8 (a)	5,472.96	10,481.67	
(ii) Cash and Cash equivalents	8 (b)	84.58	72.29	
(iii) Other Bank Balances	8 (c)	649.10	34.83	
(iv) Loans and Advances	8 (d)	17.83	43.21	
(c) Current Tax Assets (Net)		2,451.05	1,121.78	
(d) Other current assets	9	2,709.12	3,106.47	
<b>Total Current Assets</b>		<b>84,416.82</b>	<b>86,219.63</b>	
<b>Total Assets</b>		<b>87,652.13</b>	<b>90,153.60</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	10	2,718.22	2,718.22	
(b) Other Equity				
Reserves & surplus	11	54,911.61	56,978.88	
Equity attributable to owners		57,629.83	59,697.10	
Non-controlling Interest		(449.11)	(409.61)	
<b>Total Equity</b>		<b>57,180.73</b>	<b>59,287.50</b>	
<b>Liabilities</b>				
<b>I Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Non-Current borrowings	12	1,740.66	2,386.09	
(ii) Lease Liability		13.84	139.59	
(b) Provisions	13	107.79	161.95	
(c) Deferred tax Liabilities (Net)	14	182.59	207.00	
<b>Total Non-Current Liabilities</b>		<b>2,044.88</b>	<b>2,894.64</b>	
<b>II Current liabilities</b>				
(a) Financial Liabilities				
(i) Current Borrowings	15 (a)	24,511.75	21,505.71	
(ii) Trade payables	15 (b)			
- Due to Micro and Small Enterprises		210.02	79.22	
- Due to Others		2,313.06	4,830.49	
(iii) Other Financial Liabilities	15 (c)	755.64	1,033.41	
(iv) Lease Liability		90.63	96.25	
(b) Other Current Liabilities	16	322.73	283.48	
(c) Provisions	17	222.68	142.90	
(d) Current Tax Liabilities (net)		-	-	
<b>Total Current Liabilities</b>		<b>28,426.52</b>	<b>27,971.47</b>	
<b>Total Liabilities</b>		<b>30,471.40</b>	<b>30,866.10</b>	
<b>Total Equity and Liabilities</b>		<b>87,652.13</b>	<b>90,153.60</b>	

See accompanying notes forming part of the financial statements

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As per our report of even date

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

S. Poosaidurai  
Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

Raman Maroo  
Managing Director  
DIN 00169152

Dipesh Gosar  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

Atul Maru  
Jt. Managing Director  
DIN 00169264

Hiren Gada  
CEO & CFO  
DIN 01108194

## Consolidated Statement of Profit & Loss for the year ended March 31, 2021

(₹ in Lakhs)			
Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
<b>I. Income</b>			
Revenue from operations	18	31,111.39	51,313.96
Other income	19	103.06	297.44
<b>Total Income</b>		<b>31,214.45</b>	<b>51,611.40</b>
<b>II. Expenses</b>			
Operational Cost	20	21,206.13	33,423.04
Employee benefits expense	21	5,894.89	6,789.49
Finance costs	22	2,844.08	2,437.86
Depreciation and amortization expense	3 & 4	727.12	751.14
Other expenses	23	2,754.06	3,421.03
<b>Total Expenses</b>		<b>33,426.28</b>	<b>46,822.55</b>
<b>III. Profit/(Loss) before exceptional items and tax</b>		<b>(2,211.83)</b>	<b>4,788.85</b>
<b>IV. Exceptional Items</b>	32.10	-	616.68
<b>V. Profit before Tax for the period (III-IV)</b>		<b>(2,211.83)</b>	<b>4,172.17</b>
<b>VI. Tax expense</b>			
Current tax		0.56	1,193.70
Short/(Excess) provision of the earlier years		0.19	66.04
Deferred tax Liability/ (Asset)	14	(24.41)	(132.34)
<b>Total Tax expense</b>		<b>(23.66)</b>	<b>1,127.40</b>
<b>VII. Profit for the year (A) (V-VI)</b>		<b>(2,188.17)</b>	<b>3,044.77</b>
<b>VIII. Minority shareholders interest- (Profit)/loss</b>		39.85	(5.36)
<b>IX. Share in associates</b>		-	(24.98)
<b>Profit/ (Loss) for the year from operations (A)</b>		<b>(2,148.32)</b>	<b>3,014.43</b>
Discontinuing operations		-	-
<b>Profit/(loss) before tax from discontinuing operations</b>		-	-
Tax expense of discontinuing operations		-	-
<b>Profit/(loss) for the year from discontinuing operations (B)</b>		-	-
<b>Profit/ (Loss) for the year from continuing operations (A)</b>		<b>(2,148.32)</b>	<b>3,014.43</b>
<b>X. Profit/(loss) for the year</b>		<b>(2,148.32)</b>	<b>3,014.43</b>
<b>XI. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
Remeasurements of defined benefit plans		86.14	147.41
Tax relating to items that will not be reclassified to Profit and Loss		-	(37.10)
<b>Items that will be reclassified to Profit and Loss</b>			
Exchange differences in translating the financial statements of a foreign operation		8.07	(36.95)
<b>Total Other Comprehensive Income for the year (B)</b>		<b>94.21</b>	<b>73.36</b>
<b>XII. Total comprehensive income (A + B)</b>		<b>(2,054.11)</b>	<b>3,087.79</b>
<b>XI. Earnings per equity share [face value of share ₹ 10]</b>	24		
(a) Basic (₹)		(7.90)	11.09
(b) Diluted (₹)		(7.90)	11.09

See accompanying notes forming part of the financial statements

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As per our report of even date

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

S. Poosaidurai  
Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

Raman Maroo  
Managing Director  
DIN 00169152

Dipesh Gosar  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

Atul Maru  
Jt. Managing Director  
DIN 00169264

Hiren Gada  
CEO & CFO  
DIN 01108194

## Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakhs)		
Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(2,211.83)	4,788.85
<b>Adjustments for :</b>		
Other Comprehensive Income	86.14	147.41
Depreciation & Amortisation	727.12	751.14
Dividend Income	-	(0.50)
Financial Cost	2844.08	2,437.86
Interest Income	(19.80)	(86.92)
Foreign Exchange Gain	(4.20)	(30.19)
Net Loss on Sale and Write off of Assets	22.90	(0.27)
Exchange translation differences	-	(4.83)
Remeasurement of Lease Liability	(20.58)	-
Liabilities written off	-	(1.56)
Provision for Compensated leave Absence & others	-	32.97
Provision for Gratuity	(14.50)	(125.46)
Bad Debts written off	359.05	-
<b>Operating profit before working capital changes</b>	<b>1768.37</b>	<b>7,908.50</b>
<b>Adjustments for :</b>		
Decrease/(Increase) in Trade or Other Receivable	4423.84	4,829.94
Decrease/(Increase) in Inventories	(1,672.80)	(11,070.87)
Increase/(Decrease) in Trade or Other Payable	(2,174.07)	1,510.88
<b>Cash generated from/ (used in) operations</b>	<b>2,345.33</b>	<b>3,178.45</b>
Direct Taxes paid (net)	1,330.55	3,933.05
<b>Net cash from/ (used in) operating activities</b>	<b>1,014.78</b>	<b>(754.60)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Property, Plant and Equipment	0.43	0.68
Purchase of Property, Plant & Equipment including Capital WIP and Intangible assets under development	(90.41)	(702.37)
Dividend Income	0.00	0.50
Interest Income	19.80	86.92
<b>Net cash from/ (used in) investing activities</b>	<b>(70.18)</b>	<b>(614.27)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in capital	0.00	(248.36)
Dividend Paid	0.00	(448.51)
Tax on Dividend Paid	0.00	(92.19)
Payment of lease liability	(94.19)	(106.46)
Increase/(Decrease) in Non-Current Borrowings	(1,016.73)	2,807.41
Increase/(Decrease) in Current Borrowings	3,006.03	1,817.74
Financial Cost	(2,827.43)	(2,393.44)
<b>Net cash from/(used in) financing activities</b>	<b>(932.31)</b>	<b>1,336.19</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12.29</b>	<b>(32.68)</b>
Cash and cash equivalents as at the beginning of the year	72.29	104.97
<b>Cash and cash equivalents as at the end of the year</b>	<b>84.58</b>	<b>72.29</b>

**Note :**

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

S. no.	Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
i)	Balances with banks		
	- Current accounts in Indian rupees	78.98	65.84
ii)	Cash on Hand	5.59	6.45
	<b>Total</b>	<b>84.58</b>	<b>72.29</b>

As per our report of even date

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

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

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Raman Maroo**  
Managing Director  
DIN 00169152

**Dipesh Gosar**  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Hiren Gada**  
CEO & CFO  
DIN 01108194

## Statement of Changes in Equity

### for the year ended March 31, 2021

#### A. Equity Share Capital

(₹ in Lakhs)

Particulars	Notes	Balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March 2021	Balance as at 31 <sup>st</sup> March 2020
			2019-20	2020-21		
Equity Share Capital	10	2,718.22	-	-	2,718.22	2,718.22

#### B. Other Equity

Particulars	Notes	Reserves & Surplus			Other Comprehensive Income		Total
		Securities premium account	General reserve	Retained Earnings	Exchange differences on translating foreign operations	Remeasurement of Defined Benefit Plan	
Balance as at 1 <sup>st</sup> April 2020		14,340.81	2,112.81	40,382.64	(26.15)	168.77	56,978.88
Total Comprehensive Income for the year	11	-	-	(2,148.32)	(5.09)	86.14	(2,067.27)
Dividends (including Dividend Distribution Tax)		-	-	-	-	-	-
Balance as at 31 <sup>st</sup> March 2021		14,340.81	2,112.81	38,234.32	(31.24)	254.91	54,911.61

As per our report of even date

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

S. Poosaidurai  
Partner  
Membership No. 223754

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

Raman Maroo  
Managing Director  
DIN 00169152

Dipesh Gosar  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

Atul Maru  
Jt. Managing Director  
DIN 00169264

Hiren Gada  
CEO & CFO  
DIN 01108194

# Notes to Financial Statements

## for year ended March 31, 2021

### 1 Corporate information

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

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

#### i) The Company has the following subsidiary companies:

Subsidiary concern	Date of Incorporation	Place of Incorporation	Proportion of effective ownership as on	
			31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Shemaroo Media & Entertainment LLC Wholly owned Subsidiary	23 <sup>rd</sup> April, 2018	United States of America	100%	100%
Shemaroo Entertainment Ltd LLC * Wholly owned Subsidiary	12 <sup>th</sup> June, 2019	UAE	0%	100%
Canopy Entertainment Private Limited Wholly owned Subsidiary	31 <sup>st</sup> October, 2012	India	100%	100%
Contentino Media LLP Subsidiary LLP	25 <sup>th</sup> August, 2015	India	65%	65%
Shemaroo Think Tank Entertainment LLP Subsidiary LLP	12 <sup>th</sup> October, 2015	India	99.99%	99.99%

\* The Investment in above subsidiary is written off on 31<sup>st</sup> March 2021 as its under the process of winding up.

### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount. The consolidated financial statements of the company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

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

### 2.2 Principles of Consolidation

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

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

- i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions.
- ii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in foreign currency translation reserve.
- iii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iv) Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

## Notes to Financial Statements

### for year ended March 31, 2021

- v) Associates are entities over which the Group has significant influence but not control. The financial statements have been consolidated as per Ind AS 28 - "Accounting for Investments in Associates & Joint venture" following the Equity Method for Consolidation of Associates. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.
- vi) The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.
- vii) The Notes and significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position. In this respect, the group has disclosed such notes and policies, which represent the requisite disclosure.

#### 2.3 Use of estimates

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

#### 2.4 Summary of Significant Accounting Policies

##### (a) Property, Plant & Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future

economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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

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

##### (b) Intangible asset

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

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

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

##### (c) Depreciation and amortisation

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

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

Office Building	58 years
Plant & Machinery	2 - 15 years
Furniture & Fixtures	10 years
Motor Vehicle	8 - 10 years



## Notes to Financial Statements

### for year ended March 31, 2021

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

Computer Software                      5 years

#### (d) Borrowing Costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

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

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

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

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

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

#### (f) Investments

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

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

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

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

#### (g) Inventories

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

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

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

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

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

#### (h) Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months

## Notes to Financial Statements

### for year ended March 31, 2021

or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### (i) Cash Flow Statement

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

#### (j) Financial Assets

##### A. Initial recognition and measurement :

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

##### B. Subsequent measurement :

##### a) Financial assets carried at amortised cost

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

##### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

#### C. Equity Investments :

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

#### D. Investment in associates and joint ventures :

The Group has accounted for its investments in associates and joint venture at cost.

#### E. Impairment of Financial assets :

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

Expected credit losses are measured through a loss allowance at an amount equal to :

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

#### (k) Financial Liabilities

##### A. Initial recognition and measurements :

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

##### B. Subsequent measurement :

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

## Notes to Financial Statements

### for year ended March 31, 2021

#### (l) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable,

using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### (m) Employee Benefits

##### Short Term Employee Benefits

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

##### Long Term Employee Benefits

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

##### Defined Contribution Plans

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

##### Gratuity

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

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

#### (n) Tax Expenses

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

##### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the

## Notes to Financial Statements

### for year ended March 31, 2021

taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

#### Deferred Tax

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

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

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

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

#### (o) Foreign currencies transactions and translation

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

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

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

#### (p) Revenue recognition

Ind AS 115 'Revenue from Contracts with Customers'

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the

revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### Sale of goods

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

#### Income from Services

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

#### (q) Other income

##### i) Interest Income

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

##### ii) Dividend Income

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

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

#### (r) Purchase of rights

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

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

#### (s) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the

## Notes to Financial Statements

### for year ended March 31, 2021

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

#### (t) Provisions & Contingencies

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

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

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

#### Non-Current Assets

##### 3(a) Property, Plant & Equipment

(₹ in Lakhs)

	Plant & Machinery	Motor Vehicle	Furniture & Fixtures	Office Building	Computer Hardware & Equipments	Total
<b>Cost or Deemed Cost</b>						
At 1 <sup>st</sup> April 2020	5,920.65	275.01	588.99	984.13	12.05	7,780.82
Additions	71.02	-	-	-	0.61	71.62
Disposals	(63.14)	(5.05)	-	-	-	(68.19)
<b>At 31<sup>st</sup> March 2021</b>	<b>5,928.53</b>	<b>269.95</b>	<b>588.99</b>	<b>984.13</b>	<b>12.65</b>	<b>7,784.25</b>
<b>Depreciation</b>						
At 1 <sup>st</sup> April 2020	3,845.36	140.61	449.26	254.11	8.12	4,697.46
Charge for the year	537.06	29.01	20.77	16.02	1.86	604.72
Disposals	(61.78)	(5.05)	-	-	-	(66.84)
<b>At 31<sup>st</sup> March 2021</b>	<b>4,320.64</b>	<b>164.56</b>	<b>470.03</b>	<b>270.13</b>	<b>9.98</b>	<b>5,235.34</b>
<b>Net Block</b>						
At 1 <sup>st</sup> April 2020	2,075.28	134.40	139.73	730.02	3.92	3,083.36
At 31 <sup>st</sup> March 2021	1,607.89	105.39	118.96	714.00	2.67	2,548.91

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

##### 3(b) Other Intangible assets

	Software	Trade Mark	Total
<b>Cost or Deemed Cost</b>			
At 1 <sup>st</sup> April 2020	438.71	25.00	463.71
Purchase	18.79	-	18.79
Disposals	-	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>457.49</b>	<b>25.00</b>	<b>482.49</b>
<b>Accumulated amortisation</b>			
At 1 <sup>st</sup> April 2020	343.81	17.88	319.09
Charge for the year	32.41	1.93	34.34
Disposals	-	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>376.22</b>	<b>19.81</b>	<b>396.03</b>
<b>Net Block</b>			
At 1 <sup>st</sup> April 2020	94.90	7.12	102.02
At 31 <sup>st</sup> March 2021	81.27	5.19	86.47

## Notes to Financial Statements

### for year ended March 31, 2021

#### 3(c) Intangible assets under development

(₹ in Lakhs)

	Software	Total
At 1 <sup>st</sup> April 2020	21.98	21.98
Additions	(21.98)	(21.98)
Capitalised during the year	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>-</b>

#### 4 Right of use Assets

	Office Building	Total
<b>Cost or Deemed Cost</b>		
At 1 <sup>st</sup> April 2020	306.46	306.46
Additions	34.36	34.36
Deductions		
<b>At 31<sup>st</sup> March 2021</b>	<b>340.83</b>	<b>340.83</b>
<b>Accumulated amortisation</b>		
At 1 <sup>st</sup> April 2020	92.09	92.09
Charge for the year	88.06	88.06
Disposals	67.61	67.61
<b>At 31<sup>st</sup> March 2021</b>	<b>247.75</b>	<b>247.75</b>
<b>Net Block</b>		
At 1 <sup>st</sup> April 2020	214.38	214.38
<b>At 31<sup>st</sup> March 2021</b>	<b>93.07</b>	<b>93.07</b>

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>NON-CURRENT ASSETS</b>		
<b>5 Financial Assets</b>		
<b>(a) Non- Current Investments</b>		
Investments measured at Cost		
In Equity shares, Unquoted, fully paid up		
(i) 1,388 (31 <sup>st</sup> March 2020: 1,388) Equity shares of ₹ 10/- each fully paid up of Dominiche Productions Private Limited	249.84	249.84
(ii) 50,000 (31 <sup>st</sup> March 2020: 50,000) Equity shares of ₹ 10/- each fully paid up of The N.K.G.S.B. Co-op. Bank Limited	5.00	5.00
<b>Total</b>	<b>254.84</b>	<b>254.84</b>
<b>OTHER DISCLOSURES</b>		
Aggregate amount of unquoted Investment	254.84	254.84
	<b>254.84</b>	<b>254.84</b>
<b>(a) Category-wise Non-Current Investments</b>		
Financial Assets measured at Cost	254.84	254.84
<b>Total</b>	<b>254.84</b>	<b>254.84</b>
<b>(b) Loans &amp; Advances</b>		
Loans to employees	5.19	7.84
Trade Deposits	33.82	30.32
Lease Deposits	2.82	32.58
<b>Total</b>	<b>41.83</b>	<b>70.74</b>

## Notes to Financial Statements

for year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(c) Other Financial Assets</b>		
Bank Deposits with more than 12 months maturity (refer note below)	24.04	32.66
<b>Total</b>	<b>24.04</b>	<b>32.66</b>
<b>Note:</b>		
Deposits includes balances with banks held as margin money deposits against guarantees	16.54	20.20
<b>6 Other Non- Current Assets</b>		
Balance with Customs and Central Excise Authorities	106.91	106.91
Prepaid lease payments	0.63	7.42
Gratuity plan asset (net of provisions)	78.61	39.66
<b>Total</b>	<b>186.14</b>	<b>153.99</b>
<b>CURRENT ASSETS</b>		
<b>7 Inventories</b>		
<b>Work-in-Progress</b>		
Media content under Production	277.67	358.21
<b>Stock-in-Trade</b>		
Copyrights	72,420.82	70,593.06
Physical Media	333.70	408.11
<b>Total</b>	<b>73,032.19</b>	<b>71,359.38</b>
Note: The entire book value (carrying amount) of inventories of the parent company is pledged as security for Cash Credit Facilities taken from banks except for inventories amounting Rs. 46.18 Lakhs		
<b>8 Financial Assets</b>		
<b>(a) Trade receivables</b>		
Unsecured Trade receivables		
- considered good	5,518.55	10,528.81
Less: Expected Credit loss allowance	(45.59)	(47.15)
<b>Total</b>	<b>5,472.96</b>	<b>10,481.67</b>
For transactions relating to related party receivables, refer note 26 (a)		
<b>Note: Movement in expected credit loss allowance</b>		
Opening Balance	47.15	42.29
Movement in expected credit loss allowance during the year	(1.56)	4.85
<b>Closing Balance</b>	<b>45.59</b>	<b>47.15</b>
<b>(b) Cash and Cash Equivalent</b>		
i) Balances with banks		
- Current accounts in Indian rupees	78.98	65.84
ii) Cash on Hand	5.59	6.45
<b>Total</b>	<b>84.58</b>	<b>72.29</b>

## Notes to Financial Statements

for year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(c) Other Bank Balances</b>		
i) Deposits with maturity of more than 3 months and less than 12 months	627.25	5.08
ii) Earmarked balances with Banks for :		
- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	18.09	26.00
- Balances with bank for unpaid dividend	0.52	0.52
- Balances with bank for Refund of Share Application Money	3.24	3.24
<b>Total</b>	<b>649.10</b>	<b>34.83</b>
<b>(d) Loans &amp; Advances</b>		
Unsecured, considered good		
Loan to employees	17.83	43.21
<b>Total</b>	<b>17.83</b>	<b>43.21</b>
<b>9 Other Current Assets</b>		
Advances paid for Supply of Goods and Rendering of Services	304.34	1,257.78
Fixed deposit with Sales Tax Department	-	-
Other Taxes Receivable	1,738.31	1,174.27
Prepaid Expense	584.30	597.04
Trade Deposits	43.30	48.60
Lease Deposits	28.00	-
Others	10.87	28.78
<b>Total</b>	<b>2,709.12</b>	<b>3,106.47</b>
<b>10. Equity Share capital</b>		
<b>Authorized shares capital</b>		
3,00,00,000 equity shares of ₹ 10/- each (Previous Year 3,00,00,000)	3,000.00	3,000.00
<b>Issued, subscribed and paid-up capital</b>		
2,71,82,239 (Previous year 2,71,82,239) equity shares of ₹ 10/- each fully paid up	2,718.22	2,718.22
<b>Total</b>	<b>2,718.22</b>	<b>2,718.22</b>

### OTHER DISCLOSURES

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

#### a) Reconciliation of no. of equity shares outstanding

	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Numbers	₹ Lakhs	Numbers	₹ Lakhs
At the beginning of the period	2,71,82,239	2,718	2,71,82,239	2,718
<b>Outstanding at the end of the period</b>	<b>2,71,82,239</b>	<b>2,718</b>	<b>2,71,82,239</b>	<b>2,718</b>



## Notes to Financial Statements

### for year ended March 31, 2021

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

Name of Shareholder	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Raman Hirji Maroo	48,09,520	17.69%	48,09,520	17.69%
Mr. Atul Hirji Maru	48,09,520	17.69%	48,09,520	17.69%
Mr. Buddhichand Hirji Maroo	35,75,310	13.15%	35,75,320	13.15%
Fidelity Funds - Asian Smaller Companies Pool	17,64,841	6.49%	17,64,841	6.49%
Technology and Media Group PTE Limited	18,22,840	6.71%	18,22,840	6.71%
New Horizon Opportunities Master Fund	-	-	23,09,599	8.50%
<b>Total</b>	<b>1,67,82,031</b>	<b>61.74%</b>	<b>1,90,91,640</b>	<b>70.24%</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>11 Other Equity</b>		
<b>(a) Reserves &amp; Surplus</b>		
<b>I Securities premium account</b>		
Opening balance	14,340.81	14,340.81
<b>Closing Balance (A)</b>	<b>14,340.81</b>	<b>14,340.81</b>
<b>II General reserve</b>		
Opening balance	2,112.81	2,112.81
<b>Closing Balance (B)</b>	<b>2,112.81</b>	<b>2,112.81</b>
<b>III Retained Earnings</b>		
Opening balance	40,382.64	37,915.19
Impact on account of adoption of Ind AS 116 (refer note 29)	-	(6.28)
Profit/loss for the year	(2,148.32)	3,014.43
Payment of Dividend on Equity Shares	-	(448.51)
Tax on Proposed Dividends	-	(92.19)
Less: Transfer to general reserve	-	-
<b>Closing Balance</b>	<b>38,234.32</b>	<b>40,382.64</b>
<b>(b) Other Comprehensive Income</b>		
<b>a Items that will not be reclassified to profit or loss</b>		
<b>- Exchange differences on translating foreign operations</b>		
Opening Balance	(26.15)	25.83
Add : Exchange differences in translating the financial statements of a foreign operation	(5.09)	(51.98)
Less : tax on exchange differences on translation of foreign operations	-	-
<b>Closing Balance</b>	<b>(31.24)</b>	<b>(26.15)</b>
<b>- Remeasurements of defined benefit plans</b>		
Opening Balance	168.77	58.46
Remeasurements during the year	86.14	147.41
Deferred tax on remeasurements during the year	-	(37.10)
Closing Balance	254.91	168.77
<b>Total Retained Earnings (C)</b>	<b>223.67</b>	<b>142.62</b>
<b>Total (A + B + C)</b>	<b>38,457.99</b>	<b>40,525.26</b>
<b>Total</b>	<b>54,911.61</b>	<b>56,978.88</b>

## Notes to Financial Statements

for year ended March 31, 2021

						(₹ in Lakhs)	
Particulars		Interest Rate	Maturity Date	Terms of Repayment	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
<b>Non-Current Liabilities</b>							
<b>Financial Liabilities</b>							
<b>12</b>	<b>Non-Current Borrowings</b>						
(a)	<b>Secured Bank Loan - at amortised cost</b>						
(i)	Term Loan, secured by hypothecation of Machinery/ Equipment	9.85% (Linked to One Year MCLR)	31-Mar-21	Repayment monthly in eleven equal installments of Rs 40 Lakhs & One installment of Rs 39 Lakhs	-	477.35	
(ii)	Term Loan, secured by hypothecation of motor vehicles	8.61%	15-Sep-21	Repayment monthly in 37 equal installments of Rs 1,01,690/- as per repayment schedule of the Bank	5.95	17.08	
(iii)	Term Loan, secured by hypothecation of motor vehicles	9.18%	10-Dec-21	Repayment monthly in 36 equal installments of Rs 17,537/- as per repayment schedule of the Bank	1.52	3.39	
(iv)	Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of Rs 44,683/- as per repayment schedule of the Bank	3.87	8.63	
(v)	Term Loan, secured by hypothecation of motor vehicles	9.25%	10-Dec-21	Repayment monthly in 36 equal installments of Rs 44,683/- as per repayment schedule of the Bank	3.87	8.63	
(b)	<b>Unsecured Bank Loan - at amortised cost</b>						
(i)	Unsecured Term Loan	8.25%	05-Dec-24	Repayment monthly in 59 equal installments of Rs 62,08,382/- as per repayment schedule of the Bank	2,315.33	2,832.19	
<b>Total Non-Current Borrowings</b>					<b>2,330.55</b>	<b>3,347.27</b>	
Less: Current Maturities of Secured long-term debt (included in Note 15 (c ))					15.21	462.53	
Less: Current Maturities of Unsecured long-term debt (included in Note 15 (c ))					574.67	498.65	
<b>Non-Current Borrowings</b>					<b>1,740.66</b>	<b>2,386.09</b>	

### Note: Assets pledged as Security:

Particulars	Note No.	As at 31 <sup>st</sup> March'21	As at 31 <sup>st</sup> March'20
<b>Non Financial Assets</b>			
Office Building	3 (a)	714.00	730.02
Plant and Machinery	3 (a)	1,604.12	369.48
Motor Vehicles	3 (a)	58.19	67.86
Intangibles-Software	3 (b)	-	13.91
Inventories	7	72,986.01	71,099.30
<b>Financial Assets</b>			
Trade Receivables	8 (a)	5,253.45	8,096.01
<b>Total</b>		<b>80,615.77</b>	<b>80,376.59</b>

## Notes to Financial Statements

for year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>13 Provisions</b>		
Provisions for employee benefits:		
- Compensated leave absences	107.79	161.95
<b>Total</b>	<b>107.79</b>	<b>161.95</b>
<b>14 Deferred Tax Liabilities</b>		
(Balances comprises temporary differences attributable to: )		
Property, Plant & Equipment & Intangible Assets	206.83	255.54
Disallowances under the Income Tax Act, 1961	(22.99)	(51.23)
Financial Liability at amortised cost	(2.87)	(5.40)
Remeasurement of Defined benefit plan	1.61	8.09
<b>Net Deferred Tax Liability</b>	<b>182.59</b>	<b>207.00</b>

### Note: Movements in Deferred Tax Liabilities/Assets

Particulars	Current year (DTL)	Financial Liability at amortised cost (DTA)	Remeasurement of defined benefit plan (DTA)	Net Balance
Opening Balance as on 1 <sup>st</sup> April 2020	255.54	2.68	(51.23)	207.00
On first time adoption of Ind AS 116	-	-	-	-
Charge or (Credit) to the Statement of Profit and Loss	(48.71)	(3.94)	28.24	(24.41)
Closing Balance as on 31 <sup>st</sup> March 2021	206.83	(1.26)	(22.99)	182.59

<b>Current Liabilities</b>		
<b>15 Financial Liabilities</b>		
<b>(a) Current Borrowings</b>		
<b>Loan Repayable on Demand</b>		
Secured Loan from Bank	16,304.86	12,458.77
(Secured by hypothecation of stock, book debts and collaterally secured by mortgage of property owned by the company, second charge on Machinery and personal guarantee of some of the directors of the company)		
Unsecured Bank Overdraft	1,851.12	1,767.94
Unsecured Bank Short Term Loan	2,763.67	2,658.17
<b>Loans &amp; Advances (Unsecured)</b>		
-Intercompany Deposits from others	-	-
-Directors	150.00	150.00
-Subsidiaries	2,581.90	2,642.69
-Others	860.20	1,828.15
<b>Total</b>	<b>24,511.75</b>	<b>21,505.71</b>
<b>(b) Trade payables</b>		
(a) Dues to Micro and Small Enterprises (Refer Note No.32.6)	210.02	79.22
(b) Dues to Others	2,313.06	4,830.49
<b>Total</b>	<b>2,523.08</b>	<b>4,909.71</b>
<b>For transactions relating to related party payables, refer note 26 (a)</b>		

## Notes to Financial Statements

for year ended March 31, 2021

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(c) Other Financial Liabilities</b>		
<b>Current Maturities of long-term debt</b>	15.22	462.53
Current Maturities of Unsecured long-term debt	574.67	498.65
Current Maturities of short-term debt	-	-
Security Deposit Received	22.09	18.20
Creditors for Capital Expenditure	-	-
Others	35.02	27.15
Interest accrued but not due on borrowings	108.13	17.98
Bank Overdraft	-	8.39
Unclaimed Dividend Payable	0.52	0.52
<b>Total</b>	<b>755.64</b>	<b>1,033.41</b>
<b>16 Other Current Liabilities</b>		
Advances received from Customers	18.64	5.05
Prepayments Received	0.91	2.80
Statutory Dues Payable	267.65	262.39
Others	35.53	13.24
<b>Total</b>	<b>322.73</b>	<b>283.48</b>
<b>17 Provisions</b>		
<b>(a) Provision for Employee Benefits</b>		
- Gratuity	40.85	63.29
- Compensated leave absences	21.30	17.96
- E S I C	0.26	0.39
- Provident Fund	18.34	21.25
- Maharashtra Labour Welfare Fund	0.02	0.00
	<b>80.78</b>	<b>102.90</b>
<b>(b) Other Provisions</b>		
Provision for purchases	141.90	40.00
	141.90	40.00
<b>Total Provisions</b>	<b>222.68</b>	<b>142.90</b>
<b><u>Income Tax expenses for the year can be reconciled to accounting profit as follows:</u></b>		
Profit before tax	(1,919.88)	4,598.40
<b>Tax effect of :</b>		
Depreciation as per Income Tax Rules	(441.63)	(577.13)
Deductions	(95.62)	(139.71)
Exempted Dividend Income	-	(0.50)
Expenses disallowed	940.21	859.76
	<b>(1,516.91)</b>	<b>4,740.82</b>
Applicable Tax Rate	25%	25%
<b>Current tax expenditure for the year</b>	<b>-</b>	<b>1,193.17</b>
Tax Deduction at Source	(982.84)	(2,155.08)
	<b>(982.84)</b>	<b>(961.91)</b>

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

## Notes to Financial Statements

for year ended March 31, 2021

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>18 Revenue from Operations</b>		
Sale of Rights	27,417.91	49,315.63
Sale of Products	204.74	696.43
Income from Services	3,488.74	844.94
Other Operating Revenue	-	456.95
<b>Total</b>	<b>31,111.39</b>	<b>51,313.96</b>
<b>19 Other income</b>		
Interest	19.80	86.92
Dividend from Non-Trade Investment	-	0.50
Commission	-	28.42
Export Incentive	-	68.24
Foreign Exchange Fluctuation Gain	2.98	-
Other	80.27	113.37
<b>Total</b>	<b>103.06</b>	<b>297.44</b>
<b>20 Operational Cost</b>		
Inventories at the beginning of the year	71,359.38	60,274.27
Purchases	16,221.93	41,214.78
Works Cost	6,657.01	3,293.38
Less: Inventories at the end of the year	(73,032.19)	(71,359.38)
<b>Total</b>	<b>21,206.13</b>	<b>33,423.04</b>
<b>21 Employee Benefit Expense</b>		
Salaries, Bonus and Allowances	5,538.13	6,343.60
Remuneration to Partners	45.00	45.00
Contribution to Provident & Other funds	212.51	245.57
Staff Welfare Expenses	99.26	155.32
<b>Total</b>	<b>5,894.89</b>	<b>6,789.49</b>
<b>22 Finance costs</b>		
Interest on Borrowings	2,611.02	2,270.36
Bank & Other Finance Charges	188.29	109.94
Interest on Statutory Dues	28.12	30.12
Finance Cost on Lease Assets	16.65	27.44
<b>Total</b>	<b>2,844.08</b>	<b>2,437.86</b>
<b>23 Other expenses</b>		
Bad Debts written off	359.05	-
Business Development expenses	23.26	177.03
Communication expenses	239.89	202.85
Donations (refer note no. 32.5)	191.09	249.98
Electricity Expenses	94.70	174.67
Foreign Exchange Fluctuation Loss	25.97	1.31
General Expenses	326.58	551.15

## Notes to Financial Statements

### for year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Expected Credit Loss (Ind-AS)	-	4.85
Insurance Expenses	74.75	66.34
Legal, Professional and Consultancy expenses	525.75	699.27
Payment to Auditors	18.30	20.48
<b>Repairs and Maintenance</b>		
- Building	-	33.18
- Machinery	23.95	215.57
- Others	85.65	94.56
Rents, Rates and Taxes	74.82	29.08
Security Charges	24.28	623.56
Selling and Marketing Expenses	605.80	255.36
Travelling and Conveyance	58.95	21.79
Loss due to damage of Assets	0.37	-
Loss on sale of Assets	0.89	
<b>Total</b>	<b>2,754.06</b>	<b>3,421.03</b>
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Statutory Audit fee (excluding taxes)	15.85	16.55
<b>In other capacity:</b>		
Other Services (Certification)	2.15	0.93
Reimbursement of expenses	-	2.40
<b>TOTAL</b>	<b>18.00</b>	<b>19.88</b>
<b>24 Earnings per share (EPS)</b>		
Following reflects the net profit after tax and no. of shares data used in the Basic and Diluted EPS computations:		
<b>Total operations for the year</b>		
Profit after tax	(2,148)	3,014
<b>Net Profit for calculation of basic EPS</b>	<b>(2,148)</b>	<b>3,014</b>
Net profit as above	(2,148)	3,014
<b>Net Profit for diluted EPS</b>	<b>(2,148)</b>	<b>3,014</b>
<b>Weighted average number of equity shares in calculating EPS</b>	<b>271.82</b>	<b>271.82</b>
(a) Basic (₹)	(7.90)	11.09
(b) Diluted (₹)	(7.90)	11.09

### 25 Employee Benefits

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

#### a) Defined Contribution Plans

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

#### b) Defined Benefit Plans

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

## Notes to Financial Statements

for year ended March 31, 2021

	(₹ in Lakhs)	
	2020-21	2019-20
	Gratuity(Funded)	
<b>I) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Defined Benefit obligation at beginning of the year	422.40	526.53
Current Service Cost	51.37	55.06
Interest Cost	27.18	39.04
Past Service Cost	-	-
Actuarial (Gain)/Loss	(56.18)	(156.44)
Benefits paid	(47.79)	(41.78)
<b>Defined Benefit obligation at year end</b>	<b>396.98</b>	<b>422.40</b>
<b>II) Reconciliation of Net (Asset)/Liability recognised in the Balance Sheet as at 31<sup>st</sup> March</b>		
Net (Asset)/Liability at the beginning of year	17.70	526.53
Expenses Recognized in Statement of Profit and Loss	51.06	94.09
Expenses Recognized in OCI	(62.00)	(156.44)
Benefit paid	(44.51)	(41.78)
<b>Net (Asset)/Liability at the end of year</b>	<b>(37.76)</b>	<b>422.40</b>
<b>III) Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	(37.76)	422.40
<b>Amount recognised in Balance Sheet</b>	<b>(37.76)</b>	<b>422.40</b>
<b>IV) Expenses recognised during the year</b>		
Current Service Cost	51.37	55.06
Net Interest Cost	(0.31)	39.04
Past Service Cost	-	-
Actuarial (Gain)/Loss	-	-
Other Transfer	-	-
<b>Net Cost</b>	<b>51.06</b>	<b>94.09</b>
<b>V) Expenses recognised in Other Comprehensive Income</b>		
Actuarial (Gains)/Losses on Obligation For the Year	(56.18)	(156.44)
Return on Plan Assets, Excluding Interest Income	(5.82)	(3.16)
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(62.00)</b>	<b>(159.60)</b>
<b>VI) Actuarial assumptions</b>		
<b>Mortality Table</b>	IAL (2012-14)	IAL (2012-14)
Discount rate (per annum)	6.79%	6.82%
Expected rate of salary increase (per annum)	4.00%	4.00%
Rate of Employee Turnover	3.00%	3.00%

## Notes to Financial Statements

### for year ended March 31, 2021

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

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

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

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

#### VIII) Sensitivity Analysis

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

Sensitivity Analysis	₹ in Lakhs	
	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	396.98	422.40
Delta Effect of +1% Change in Rate of Salary Increase	442.75	467.43
Delta Effect of -1% Change in Rate of Salary Increase	355.63	381.62
Delta Effect of +1% Change in Rate of Employee Turnover	409.68	434.98
Delta Effect of -1% Change in Rate of Employee Turnover	382.24	407.78
Delta Effect of +1% Change in Rate of Discounting	354.80	380.77
Delta Effect of -1% Change in Rate of Discounting	447.46	472.26

#### Notes:

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

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

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

#### c) Other long term benefits :

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



## Notes to Financial Statements

### for year ended March 31, 2021

#### 26 Related party disclosures

Related Party relationship	Name of Related Parties
Key Management Personnel	Mr. Buddhichand Maroo Mr. Raman Maroo Mr. Atul Maru Mr. Jai Maroo Mr. Hiren Gada Mr. Vinod Karani Mr. Hemant Karani Mr. Bipin Dharod Mr. Ketan Maru Mrs. Kranti Gada Mrs. Smita Maroo Ms. Mansi Maroo Mr. Dipesh Gosar
Relatives of Key Management Personnel	Mrs. Leelaben Maroo (wife of Mr. Buddhichand Maroo) Mrs. Kastur Maroo (wife of Mr. Raman Maroo) Mrs. Sangeeta Maru (wife of Mr. Atul Maru) Ms. 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.

**26 (a) Related Party Transactions**

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

Particulars	(₹ in Lakhs)									
	Key Management Personnel As on		Relatives of Key Management Personnel As on		Entities having common control As on		Associate Company As on		Total As on	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Purchase of Goods & Services	-	-	-	20.11	16.59	-	-	-	16.59	20.11
Salaries	379.66	391.23	36.75	36.95	-	-	-	-	416.41	428.18
Directors Sitting Fees	0.80	1.00	-	-	-	-	-	-	0.80	1.00
Remuneration to Directors	177.26	179.91	-	-	-	-	-	-	177.26	179.91
Interest Accrued (on Loans)	308.19	335.59	-	-	-	-	-	-	308.19	335.59
Loans Taken during the year	612.09	561.05	-	-	-	-	-	-	612.09	561.05
Dues to Related Parties	2,581.90	2,642.69	-	59.80	74.17	-	-	-	2,656.07	2,702.49

Company has taken collective personal guarantee from related parties to the tune of Rs. 17,500 lakh, against its borrowings from the banks.

The above loans from related parties are unsecured and payable on demand.

**26 (b) Compensation of Key Management Personnel**

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

	Mar-21	Mar-20
i. Short-term benefits	547.96	561.04
ii. Post employment benefits	8.97	10.10
iii. Other long-term benefits	-	-
iv. Share based payments	-	-
v. Termination benefits	-	-

## Notes to Financial Statements

### for year ended March 31, 2021

#### 27 Financial Instruments

##### 27.1 Fair value measurements

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

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March'21				As at 31 <sup>st</sup> March'20			
	Level of inputs used in				Level of inputs used in			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
<b>I. Financial Assets</b>								
<b>- At amortised cost</b>								
Investments	254.84	-	-	254.84	254.84	-	-	254.84
Trade Receivables	5,472.96	-	-	5,472.96	10,481.67	-	-	10,481.67
Loans & Advances	59.66	-	-	59.66	113.95	-	-	113.95
Cash & Cash Equivalents	84.58	-	-	84.58	72.29	-	-	72.29
Other Bank Balances	649.10	-	-	649.10	34.83	-	-	34.83
Other Financial assets	24.04	-	-	24.04	32.66	-	-	32.66
<b>II. Financial Liabilities</b>								
<b>- At amortised cost</b>								
Borrowings	26,252.41	-	-	26,252.41	23,891.81	-	-	23,891.81
Lease Liability	104.48	-	-	104.48	235.84	-	-	235.84
Trade Payables	2,523.08	-	-	2,523.08	4,909.71	-	-	4,909.71
Security Deposit Received	22.09	-	-	22.09	18.20	-	-	18.20
Other Financial Liabilities	733.55	-	-	733.55	1,015.21	-	-	1,015.21

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

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

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

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

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

##### 27.2 Foreign exchange exposure

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

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

(Amounts in Lakhs)

Particulars	Currency	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial Assets</b>			
Trade Receivables	USD (\$)	9.60	5.86
	EURO (€)	-	0.01
<b>Other Current Assets</b>			
Advances paid for Supply of Goods and Rendering of Services	USD (\$)	0.67	0.11
	EURO (€)	0.25	-
	LKR (Rs)	-	10.11
	GBP (£)	0.27	-

# Notes to Financial Statements

## for year ended March 31, 2021

(Amounts in Lakhs)

Particulars	Currency	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial Liabilities</b>	USD (\$)	-	3.32
Trade Payable	AED (DH)	-	0.03
	EURO (€)	-	0.25
<b>Other Current Liabilities</b>			
Advances received from Customers	USD (\$)	-	0.03

### 28 Financial Instruments

#### (i) Financial risk management objective and policies

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

##### a) Market risk

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

##### b) Interest rate risk

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

##### Interest rate sensitivity

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

Particulars	Interest impact (pre tax)			
	Year ended 31 <sup>st</sup> March'21		Year ended 31 <sup>st</sup> March'20	
	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%
Impact on profit or loss for the year	11.46	(11.46)	4.69	(4.69)
Impact on total equity as at the end of the reporting Year	11.46	(11.46)	4.69	(4.69)

##### c) Foreign Currency risk

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

## Notes to Financial Statements

### for year ended March 31, 2021

#### d) Credit risk

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

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

#### Ageing of trade receivables

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Trade receivables (Unsecured)</b>		
over six months	896.15	735.75
less than six months	4,622.40	9,793.06
<b>Total</b>	<b>5,518.55</b>	<b>10,528.81</b>

#### e) Liquidity risk

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

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

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Due in 1 year	Due in 2 - 3 years	Due in 1 year	Due in 2 - 3 years
<b>Financial Liabilities</b>				
Trade Payable and other financial liabilities	27,790.47	-	27,448.84	-
Borrowings		1,740.66		2,386.09
Lease Liability	90.63	13.84	96.25	139.59
<b>Total</b>	<b>27,881.10</b>	<b>1,754.51</b>	<b>27,545.09</b>	<b>2,525.69</b>

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

#### (ii) Capital Management

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

## Notes to Financial Statements

### for year ended March 31, 2021

#### Gearing ratio

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

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Debt</b>		
Long Term Borrowings (Including Current Maturity of Long Term Debts)	2,330.55	3,347.27
Short Term Borrowings	24,511.75	21,505.71
Cash & Bank Balances	(84.58)	(72.29)
<b>Total debt (A)</b>	<b>26,757.72</b>	<b>24,780.70</b>
<b>Equity</b>		
Equity Share Capital	2,718.22	2,718.22
Other Equity	54,911.61	56,978.88
<b>Total equity (B)</b>	<b>57,629.83</b>	<b>59,697.10</b>
<b>Net Debt to Equity Ratio (A/B)</b>	<b>46%</b>	<b>42%</b>

#### 29 Leases

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

The company adopted modified retrospective method for the all lease contracts existing on April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application.

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

Particulars	
<b>Right of use asset:</b>	
a) Balance as at April 1, 2020	214.38
b) Additions made during the year	34.36
- Office Buildings	
c) Depreciation charged to Statement of profit and loss	(88.06)
d) Balance as at March 31, 2021	(67.61)
- Office Buildings	93.08
<b>Lease Liability:</b>	
a) Balance as at April 1, 2020	235.84
b) Additions made during the year	34.36
c) Deletions during the year	(78.13)
d) Interest expenses charged to Statement of profit and loss	16.65
e) Reduction after reinstatement of Liability	(10.06)
f) Cash outflow for leases	(94.19)
g) Balance as at March 31, 2021	104.47

**Note:**

- The weighted average incremental borrowing rate applied to lease liability is 11.2 %
- The Company has applied single discount rate to a portfolio of leases of similar assets.

## Notes to Financial Statements

for year ended March 31, 2021

- b) The following is the break-up of current and non-current lease liabilities:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current lease liability	90.6	96.2
Non-current lease liability	13.8	139.6
<b>Total</b>	<b>104.5</b>	<b>235.8</b>

- c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Less than one year	90.6	96.2
One to five years	13.8	139.6
More than five years	-	-
<b>Total</b>	<b>104.5</b>	<b>235.8</b>

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

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

### Subsidiaries

S. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (in ₹)	Capital	Reserves	Total Assets	Total Liabilities	Investments included in Total Assets	Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend
1	Canopy Entertainment Private Limited	INR	1.00	100.00	(29.28)	71.52	71.52	-	20.33	(0.84)	-	(0.84)	NIL
2	Contentino Media LLP	INR	1.00	1.00	276.12	527.34	527.34	-	575.35	(113.85)	-	(113.85)	NIL
3	Shemaroo Think Tank Entertainment LLP	INR	1.00	1.00	(594.65)	271.22	271.22	-	-	(155.65)	-	(155.65)	NIL
4	Shemaroo Media & Entertainment LLC	USD	73.50	36.75	(379.38)	59.40	59.40	-	157.89	(89.72)	0.56	(90.28)	NIL
5	Shemaroo Entertainment Ltd LLC *	AED	-	-	0.00	-	-	-	-	(40.85)	-	(40.85)	NIL

\* Shemaroo Entertainment Ltd has written off its investment in Shemaroo Entertainment Ltd LLC as on 31<sup>st</sup> March 2021 as it is under process of winding-up.

31 Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the financial year 2020-2021.

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Shemaroo Entertainment Limited	101.19%	58,126	84.18%	(1,924.84)	91.44%	86.14	83.87%	(1,838.70)
<b>SUBSIDIARIES</b>								
<b>INDIAN</b>								
Canopy Entertainment Private Limited	0.12%	70.72	0.04%	(0.84)	0.00%	-	0.04%	(0.84)
Contentino Media LLP	0.31%	180.13	3.24%	(74.00)	0.00%	-	3.38%	(74.00)
Shemaroo Think Tank Entertainment LLP	(1.03%)	(593.59)	6.81%	(155.64)	0.00%	-	7.10%	(155.64)
<b>FOREIGN</b>								
Shemaroo Media & Entertainment LLC	(0.60%)	(342.63)	3.95%	(90.28)	9.00%	8.48	3.73%	(81.80)
Shemaroo Entertainment Limited LLC	0.00%	0.00	1.79%	(40.85)	(0.44%)	(0.41)	1.88%	(41.26)
<b>Total</b>	<b>100%</b>	<b>57,440.97</b>	<b>100%</b>	<b>(2,286.45)</b>	<b>100%</b>	<b>94.21</b>	<b>100%</b>	<b>(2,192.24)</b>



# Notes to Financial Statements

## for year ended March 31, 2021

### 32 Additional information to financial statements

#### 32.1 Approval of financial statements

Financial statements were approved for issue by Board of Directors on 8<sup>th</sup> June 2021.

#### 32.2 Segment Reporting

The Group has identified "Entertainment" as the only primary reportable business segment and hence business segment disclosure as per IND AS - 108 is not applicable. The Group operates in India and rest of the world.

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

- Loan given by company to body corporate as at 31<sup>st</sup> March'2021. (Refer note 8(d) of Standalone financials)
- Investment made by the company as at 31<sup>st</sup> March'2021. (Refer note 5(a))
- No Guarantee has been given by the company as at 31<sup>st</sup> March'2021.

#### 32.4 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Disputed Direct Tax Demands	45.69	45.69
Disputed Indirect Tax Demands	201.17	441.16
	<b>246.87</b>	<b>486.85</b>

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

#### 32.5 Corporate Social Responsibility (CSR)

CSR amount required to be spent as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof by the Company during the year is ₹ 189 Lakhs and company has spent ₹ 190 Lakhs.

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

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is ₹ 210.02 Lakh during 2020-21 (Previous year 2019-20 ₹ 79.22) and no payments made to the suppliers beyond the appointed day and no interest has been paid or is payable during the year (previous year: nil) under the terms of the MSMED Act, 2006.

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

#### 32.8 Disclosure under IND-AS - 108

For FY 2020-2021, revenue from top 1 customer accounted for ₹ 6,221 Lakhs. For FY 2019-2020, revenue from top 1 customer accounted for ₹ 9,053 Lakhs.

#### 32.9 An amount of ₹ 3.24/- Lakhs grouped under other financial liabilities in the balance sheet is an amount pending to be repaid to the bidders of the initial public offer of equity shares of the Company, which is held in the F.Y 2014-15 and maintained by HDFC Bank Limited, Refund Bankers to the IPO. The same is due for transfer to Investors Education and Protection Fund on 27<sup>th</sup> September, 2021.

#### 32.10 During the year, Company has written off Investment in one Wholly Owned Foreign Subsidiary (WOS), Shemaroo Entertainment Limited LLC (UAE), as its under the process of winding-up.

## Notes to Financial Statements

### for year ended March 31, 2021

It may also be noted that the closure of this WOS will not affect any business of the Company and will not have any significant impact on the accounts/accounting policies etc. The aforesaid WOS is not material subsidiary of the Company.

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

#### 32.11 Prior Year Comparatives

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

As per our report of even date

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

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

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Raman Maroo**  
Managing Director  
DIN 00169152

**Dipesh Gosar**  
Company Secretary  
Membership No.: A23755

Place: Mumbai  
Date : 8<sup>th</sup> June, 2021

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

**Hiren Gada**  
CEO & CFO  
DIN 01108194





